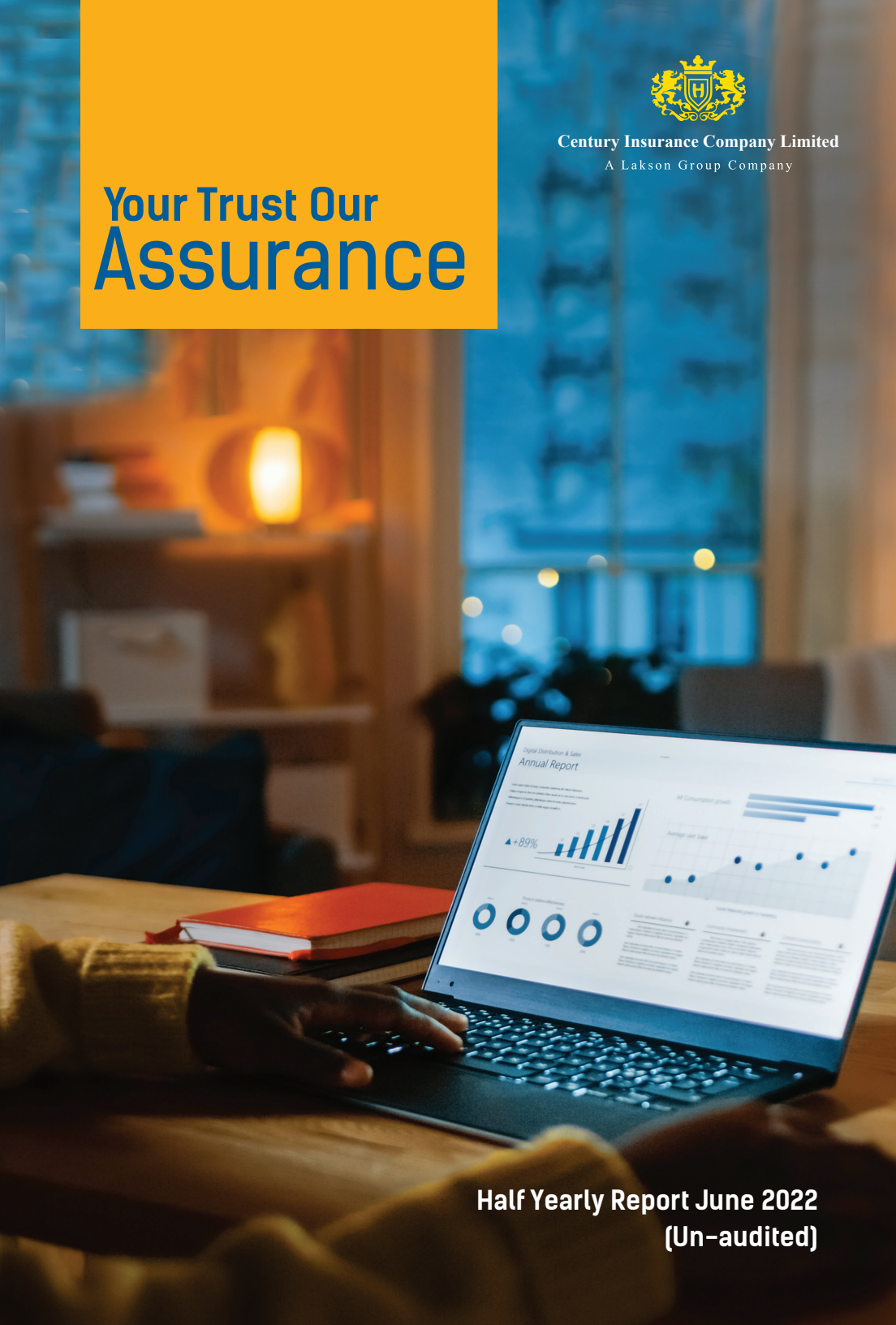




Century Insurance Company Limited
A Lakson Group Company

Your Trust Our
Assurance



Half Yearly Report June 2022
(Un-audited)

Century Insurance at a Glance

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance and takaful business.
- One of the premier general insurance companies of Pakistan.
- Rated "AA" with a stable outlook by VIS Credit Rating Co. Limited, signifying a 'very strong capacity to meet policyholders' and contractual obligations'.
- Total equity in excess of Rs. 2.2 billion.
- Twice awarded 'Top 25 Companies Award' by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with highly rated international reinsurers.
- Broad client base consisting of individuals as well as some of the most prestigious local and multinational companies.

Table of Contents

Financial Statement Conventional Operations

Vision and Mission	2
Corporate Information	3
Directors' Review	4
Directors' Review (Urdu)	7
Report on review of Condensed Interim Financial Statements	8
Condensed Interim Statement of Financial Position	10
Condensed Interim Profit and Loss Account (Un-audited)	12
Condensed Interim Statement of Comprehensive Income	13
Condensed Interim Statement of Cash Flows	14
Condensed Interim Statement of Changes in Equity	16
Notes to and Forming Part of the Condensed Interim Financial Statements	17

Financial Statement Window Takaful Operations

Report on review of Condensed Interim Financial Statements	38
Condensed Interim Statement of Financial Position	40
Condensed Interim Profit and Loss Account (Un-audited)	42
Condensed Interim Statement of Comprehensive Income	43
Condensed Interim Statement of Changes in Fund	44
Condensed Interim Statement of Cash Flows	46
Notes to and Forming Part of the Condensed Interim Financial Statements	47



Our Vision

To be an organization known for integrity and ethical behavior and fully dedicated to its Clients, Business Partners, Shareholders and Employees, providing exceptional quality service and committed to achieving excellence in all areas of its operations.

Our Mission

- To become a company of choice for its valued Clients, Stockholders and Employees.
- To ensure continued growth of the financial strength and resilience of the company so that it may be able to withstand any unexpected shocks or cyclical economic downturns.
- The Company culture to be known for Integrity and Ethical behavior.
- The Company to be known as one of the best insurance companies of the country.

Corporate Information

Board of Directors

Mr. Iqbal Ali Lakhani - Chairman
Mr. Amin Mohammed Lakhani
Ms. Anushka Lakhani
Mr. Aftab Ahmad
Mr. Sadrudin Ismail Mohamed
Mr. Akber Dawood Vazir
Mr. Mohammad Hussain Hirji - Chief Executive Officer

Advisor

Mr. Sultan Ali Lakhani

Chief Financial Officer

Mr. Sabza Ali Pirani

Company Secretary

Mr. Mansoor Ahmed

Audit Committee

Mr. Sadrudin Ismail Mohamed - Chairman
Mr. Amin Mohammed Lakhani
Mr. Aftab Ahmad

Investment Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. Aftab Ahmad
Mr. Mohammad Hussain Hirji
Mr. Sabza Ali Pirani

Ethics, Human Resource & Remuneration Committee

Mr. Sadrudin Ismail Mohamed - Chairman
Mr. Amin Mohammed Lakhani
Mr. Akbar Dawood Vazir
Mr. Mohammad Hussain Hirji

External Auditors

M/s. EY Ford Rhodes
Chartered Accountants

Shares Registrar

M/s. FAMCO Associates (Pvt.) Ltd.
8-F, Near to Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal,
Karachi.
Tel: (021) 34380101-2
Fax: (021) 34380106
Email: info.shares@famco.com.pk
Website: www.famco.com.pk

Bankers

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
NRSP Microfinance Bank Limited
Silkbank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
United Bank Limited

Registered & Corporate Office

Lakson Square, Building No. 2,
Sarwar Shaheed Road, Karachi-74200.

Head Office

11th Floor, Lakson Square, Building No. 3,
Sarwar Shaheed Road, Karachi-74200.

Website: www.cicl.com.pk
UAN: 111-111-717
NTN: 0710008-6

Directors' Review

On behalf of the Board of Directors, we are pleased to present to you the un-audited financial statements for the half-year ended 30 June 2022.

General Review

The overall operational performance of the Company in HY2022 has been satisfactory. Gross written premium (inclusive of takaful contribution) has increased by Rs. 172.6 million (18%) to Rs. 1,121.6 million whereas net premium has increased by Rs. 88.6 million (21%) to Rs. 518.6 million. Underwriting profit stood at Rs. 65.0 million, down by Rs. 29.6 million. Investment & other income is Rs. 125.5 million, up by Rs. 25 million (25%).

Restated Earnings Per Share (EPS) for the HY2022 is Rs. 2.14, after incorporating the effect of Super Tax of 4% on profit before tax of FY2021 and HY2022.

Operating Results

The comparative financial highlights for the half-year ended 30 June 2022 and 30 June 2021 are presented below:-

Description	Rs. In Millions (except otherwise stated)			
	2022	2021	Increase / (Decrease) Amount	%
Gross Written Premium (including Takaful Contribution)	1,122	949	173	18
Net Premium	519	430	89	21
Underwriting results	65	95	(30)	(31)
Investment & other income	125	100	25	25
Profit from Window Takaful Operations	11	11	0.2	2
Profit before tax	195	197	(2)	(1)
Profit after tax	118	142	(24)	(17)
Earnings per share - restated (Rs.)	2.14	2.57	(0.43)	(17)
Total assets	4,578	3,829	749	20
Paid-up capital	553	503	50	10
Total equity	2,242	2,091	151	7

As compared to HY2021, the gross written premium (inclusive of takaful contribution) for Fire has increased by Rs. 20.3 million (7%), Marine by Rs. 57.0 million (36%), Motor by Rs. 41.0 million (17%), Accident & Health by Rs. 37.7 million (16%) and Miscellaneous by Rs. 16.6 million (48%).

Window Takaful Operations

Participant Takaful Fund (PTF)

The gross written contribution for the HY2022 is Rs. 106.0 million as compared to Rs. 64.1 million for the same period last year. Net contribution revenue (before adjustment for wakala fee) is Rs. 51.9 million.

Operatoris Fund (OPF)

Gross wakala fee income for the HY2022 is Rs. 40.7 million while earned wakala fee income is Rs. 30.3 million. Profit before tax is Rs. 11.2 million.

Future Outlook

The management is making concerted efforts to increase market share and profitability and the business of the Company is expected to continue to grow at a steady pace. We shall continue to strive to identify new and innovative products and distribution channels, expand the branch network to serve clients in new cities and recruit, train and motivate sales staff so as to maintain the momentum of profitable growth. We are hopeful that this will result in improved sustainability and enhanced shareholder equity.

Acknowledgments

On behalf of the directors of the company, we wish to place on record our appreciation of the efforts of all the employees of the company in enabling its growth and success. We are also grateful to our clients for their patronage, to the Securities & Exchange Commission of Pakistan (SECP) for its guidance as regulator of the insurance industry and to our reinsurers and shareholders for their trust and confidence in the company.



Iqbal Ali Lakhani
Chairman



Mohammad Hussain Hirji
Director & Chief Executive

Karachi: 25 August 2022

ششماہی 2021ء کے مقابلے میں مجموعی پرییم (بشمول نکا فل کنزیوشن) برائے آتش زدگی میں 20.3 ملین روپے (7 فیصد)، بحری بیمہ میں 57.0 ملین روپے (36 فیصد)، موٹر بیمہ میں 41.0 ملین روپے (17 فیصد)، بیمہ حادثہ و صحت میں 37.7 ملین روپے (16 فیصد) اور بیمہ متفرق میں 16.6 ملین روپے (48 فیصد) اضافہ ہوا ہے۔

وٹڈونکا فل آپریشنز

شرکت داروں کا نکا فل فنڈ ششماہی 2022ء میں شرکت داروں کا تحریر شدہ مجموعی کنزیوشن کا فنڈ 106.0 ملین روپے جبکہ اسی مدت کے دوران گزشتہ سال 64.1 ملین روپے رہا۔ خالص کنزیوشن (وکالہ فیس کی ایڈجسٹمنٹ سے پہلے) 51.9 ملین روپے رہا۔

آپریٹر فنڈ مجموعی وکالہ فیس برائے ششماہی 2022ء میں 40.7 ملین روپے ہے۔ خالص وکالہ فیس کی آمدنی 30.3 ملین روپے ہے۔ قبل از ٹیکس منافع 11.2 ملین روپے رہا۔

مستقبل کے خدوخال

کمپنی کی انتظامیہ کاروبار میں منافع اور مارکیٹ شیئر میں اضافے کی مستحکم رفتار کو برقرار رکھنے کے لیے ٹھوس اقدامات کر رہی ہے۔ ہم منافع بخش ترقی کی رفتار کو برقرار رکھنے کے لیے نئی اور جدید مصنوعات کی شناخت، دیگر شہروں میں کلائنٹ کی خدمات کی غرض سے اضافی برانچوں کے قیام اور بیمہ فروخت کے عملے کی حوصلہ افزائی اور تربیت کرتے رہیں گے۔ ہم امید کرتے ہیں کہ مندرجہ بالا اقدامات حصص یافتگان کی ایکویٹی میں اضافے اور بہتر پائیداری کا باعث بنیں گے۔

اعترافات

میں ادارے کی ترقی اور کامیابی کو ممکن بنانے کے لیے تمام ملازمین کی کوششوں پر انہیں کمپنی ڈائریکٹرز کی جانب سے سراہنا چاہتا ہوں۔ ہم اپنے شانہ بشانہ رہنے پر تمام کلائنٹس، انشورنس انڈسٹری میں ریگولیٹرز کی حیثیت سے رہنمائی کرنے پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور کمپنی پر بھروسہ و اعتماد کرنے پر اپنے شیئر ہولڈرز کے بھی شکر گزار ہیں۔

Muhammad Hussain Binjji
محمد حسین جیرجی
ڈائریکٹر اور چیف ایگزیکٹو

اقبال علی لاکھانی
چیئر مین

کراچی : 25 اگست 2022ء

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم مسرت کے ساتھ 30 جون 2022ء کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ

30 جون 2022ء کو ختم ہونے والی ششماہی کی مدت میں ادارے کی انشورنس آپریشن کا رکردگی میں تسلی بخش رہی۔ مشترکہ مجموعی پریمیم (بشمول مکافل کنزیوشن) 1,121.6 ملین روپے 18 فیصد اضافہ جو کہ 172.6 ملین روپے ہوا۔ مجموعی خالص پریمیم 518.6 ملین روپے 21 فیصد اضافہ جو کہ 88.6 ملین روپے ہوا۔ انڈر رائٹنگ آمدنی 65.0 ملین روپے رہی ہے جس میں 29.6 ملین روپے کی کمی ہوئی ہے۔ انوسٹمنٹ اور دیگر آمدنی 125.5 ملین روپے رہی جو کہ 25 فیصد کے ساتھ 25 ملین روپے کا اضافہ ہے۔

30 جون 2022ء کو ختم ہونے والی ششماہی کی مدت میں فی حصص آمدنی 2.14 ملین روپے جو کہ FY2021 اور HY2022 کے منافع پر 4 فیصد کے سپر ٹیکس کے اثر کو شامل کرنے کے بعد ہے۔

کاروباری امور کے نتائج

ششماہی کی مدت 30 جون 2022ء اور 30 جون 2021ء کی تقابلی مالیاتی جھلکیاں درج ذیل ہیں۔

(روپے ملین میں علاوہ دیگر بیانیہ)

بیان	30 جون 2022ء	30 جون 2021ء	اضافہ/(کمی) فیصد
	(رقم)	(رقم)	(رقم)
تحریر شدہ مجموعی پریمیم (بشمول مکافل کنزیوشن) خالص پریمیم	1,122	949	173
انڈر رائٹنگ نتائج	519	430	89
سرمایہ کاری و دیگر آمدنی	65	95	(30)
ونڈ مکافل آپریشن سے منافع	125	100	25
منافع قبل از ٹیکس	11	11	0.2
منافع بعد از ٹیکس	195	197	(2)
آمدنی فی حصص (روپے)	118	142	(24)
کل اثاثہ جات	2.14	2.57	(0.43)
ادا شدہ سرمایہ	4,578	3,829	749
کل ایکویٹی	553	503	50
	2,242	2,091	151

Independent Auditor's Review Report

To the members of Century Insurance Company Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Century Insurance Company Limited** as at **30 June 2022** and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six-month period then ended (here-in-after referred to as the interim financial statements). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended 30 June 2022 and 30 June 2021 in the condensed interim statement of profit and loss and condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 (Review of Interim Financial Statements Performed by the Independent Auditor of the Entity). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an

audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 31 August 2022

Karachi

UDN Number: PR2022100763VZtWfpEK

Condensed Interim Statement of Financial Position

As at June 30, 2022

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	------(Rupees)-----	
Assets			
Property and equipment	10	116,872,338	125,567,780
Investment in associates	11	65,926,533	60,681,713
Investments			
Equity securities	12.1	1,233,164,165	1,224,868,654
Debt securities	12.2	832,619,161	582,932,797
Loan and other receivable	13	38,483,594	42,277,283
Insurance / reinsurance receivable	14	881,585,310	541,142,145
Reinsurance recoveries against outstanding claims	22	432,851,203	123,311,654
Salvage recoveries accrued		6,285,000	7,985,000
Deferred commission expense	23	25,429,885	28,909,708
Deferred taxation		33,424,233	20,282,884
Prepayments	15	298,441,930	236,618,982
Cash and bank	16	470,321,482	725,474,690
Total assets of Window Takaful Operations - Operatoris fund	17	142,531,208	130,422,076
Total Assets		<u>4,577,936,042</u>	<u>3,850,475,366</u>

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note		------(Rupees)-----	
Equity and Liabilities			
	Authorized share capital (70,000,000 Ordinary share of Rs.10 each)	<u>700,000,000</u>	<u>700,000,000</u>
Capital and reserves attributable to Company's equity holders			
	Ordinary share capital	553,264,840	502,968,030
	Share premium	254,024,260	254,024,260
	Reserves	196,764,458	225,233,575
	Unappropriated profit	<u>1,237,772,506</u>	<u>1,282,749,800</u>
	Total Equity	<u>2,241,826,064</u>	<u>2,264,975,665</u>
Liabilities			
Underwriting Provisions			
	Outstanding claims including IBNR	22 <u>660,463,354</u>	294,800,833
	Unearned premium reserve	21 <u>820,102,898</u>	641,585,269
	Unearned reinsurance commission	23 <u>57,693,831</u>	54,234,596
	Retirement benefits obligation	<u>3,024,981</u>	9,672,912
	Premiums received in advance	<u>2,408,967</u>	2,982,677
	Insurance / reinsurance payables	18 <u>463,203,168</u>	305,654,671
	Other creditors and accruals	19 <u>188,080,183</u>	156,238,398
	Taxation - provision less payments	<u>87,187,592</u>	71,686,314
	Total Liabilities	<u>2,282,164,974</u>	<u>1,536,855,670</u>
	Total liabilities of Window Takaful Operations - Operator fund	17 <u>53,945,004</u>	48,644,031
	Total Equity and Liabilities	<u>4,577,936,042</u>	<u>3,850,475,366</u>
	Contingencies and commitments	20	

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-audited)

For the three and six months period ended June 30, 2022

	Note	Three months period ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		----- (Rupees) -----		----- (Rupees) -----	
Net insurance premium	21	256,711,180	209,060,924	518,644,025	430,001,117
Net insurance claims	22	(138,998,732)	(101,757,105)	(292,414,841)	(201,888,536)
Net commission and other acquisition costs	23	22,502,625	18,379,434	42,309,013	33,052,140
Insurance claims and acquisition expenses		(116,496,107)	(83,377,671)	(250,105,828)	(168,836,396)
Management Expenses		(105,630,910)	(84,194,175)	(203,538,934)	(166,540,910)
Underwriting results		34,584,163	41,489,078	64,999,263	94,623,811
Investment income	24	60,533,223	36,881,370	82,907,815	74,239,384
Other income	25	14,937,195	11,980,141	36,647,865	21,538,791
Other expenses		(2,833,506)	(2,458,419)	(4,892,898)	(5,391,835)
Results of operating activities		107,221,075	87,892,170	179,662,045	185,010,151
Finance costs - lease liabilities		(1,057,737)	(1,491,990)	(2,230,068)	(2,883,907)
Share of profit of associates		5,913,016	4,297,873	5,913,016	4,297,873
Profit from Window Takaful Operations	17	5,832,205	6,691,183	11,185,756	10,983,872
Profit before tax		117,908,559	97,389,236	194,530,749	197,407,989
Income tax expense - current - tax		(31,229,097)	(25,665,559)	(54,118,934)	(56,888,241)
- current - super tax		(7,464,681)	-	(7,464,681)	-
- prior year - super tax		(15,936,810)	-	(15,936,810)	-
- deferred		(1,335,678)	(606,581)	1,489,345	1,547,479
		(55,966,266)	(26,272,140)	(76,031,080)	(55,340,762)
Profit after tax		61,942,293	71,117,096	118,499,669	142,067,227
Earnings per share of Rs.10 each - basic and diluted (Restated)	26	1.12	1.29	2.14	2.57

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three and six months period ended June 30, 2022

	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Profit after tax	61,942,293	71,117,096	118,499,669	142,067,227
Other comprehensive income				
Item to be reclassified to profit and loss account in subsequent period:				
Unrealised (diminution) / appreciation available for sale investments - net of tax	(11,128,780)	6,606,254	(10,361,486)	9,483,807
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	(15,946,703)	420,697	(18,165,906)	(9,494,982)
	(27,075,483)	7,026,951	(28,527,392)	(11,175)
Unrealised (diminution) / appreciation available for sale investments of Window Takaful Operations - net of tax	(512,937)	(630,727)	64,731	73,814
Reclassification adjustment for net gain on available for sale investments of Window Takaful Operation - net of tax	-	(34,045)	(6,456)	(34,045)
	(512,937)	(664,772)	58,275	39,769
- Share in other comprehensive income of an associate - net of tax	(12,233)	64	(12,233)	64
Total comprehensive income for the period	34,341,640	77,479,339	90,018,319	142,095,885

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the six months period ended June 30, 2022

	(Un-audited)	
	June 30, 2022	June 30, 2021
Note	------(Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	758,089,274	721,340,830
Reinsurance premium paid	(191,773,263)	(228,408,372)
Claims paid	(421,849,296)	(302,149,792)
Reinsurance and other recoveries received	89,532,072	193,688,230
Commissions paid	(35,623,402)	(33,634,125)
Commissions received	68,294,296	61,795,507
Management expenses paid	(197,542,075)	(161,548,397)
Net cash inflow from underwriting activities	<u>69,127,606</u>	251,083,881
(b) Other operating activities		
Income tax paid	(57,583,276)	(32,322,892)
Other operating receipt	38,579,158	27,423,862
Net cash outflow from other operating activities	<u>(19,004,118)</u>	(4,899,030)
Total cash inflow from operating activities	<u>50,123,488</u>	246,184,851
Investment activities		
Profit / return received	67,897,012	52,854,176
Dividends received	17,190,463	21,206,278
Payments for investments	(1,716,585,535)	(378,530,506)
Proceeds from disposal of investments	1,453,142,323	497,630,297
Fixed capital expenditure	(9,735,557)	(9,035,446)
Proceeds from sale of property and equipment	5,154,365	1,986,976
Total cash (outflow) / inflow from investing activities	<u>(182,936,929)</u>	186,111,775
Financing activities		
Dividends paid	(112,545,271)	(100,112,456)
Lease rental paid	(9,794,496)	(8,169,968)
Total cash outflow from financing activities	<u>(122,339,767)</u>	(108,282,424)
Net cash (outflow) / inflow from all activities	<u>(255,153,208)</u>	324,014,202
Cash at beginning of the period	724,474,690	453,365,544
Cash at end of the six months period	16.2 <u>469,321,482</u>	<u>777,379,746</u>

	(Un-audited)	
	June 30, 2022	June 30, 2021
	------(Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	50,123,488	246,184,851
Depreciation / amortization expense	(16,259,050)	(14,756,739)
Profit on disposal of fixed assets	2,982,416	502,789
Profit on disposal of investments	36,089,150	20,265,424
Dividend income	16,612,684	20,480,995
Investment and other income	71,966,081	60,610,694
Increase in assets other than cash	703,108,748	180,941,460
Increase in liabilities other than running finance	(752,873,732)	(379,960,796)
Profit from Window Takaful Operations	6,749,884	7,798,549
Profit after tax	<u>118,499,669</u>	<u>142,067,227</u>


The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

For the six months period ended June 30, 2022

	Attributable to equity holders of the Company					Total
	Share capital Issued, subscribed and paid-up	Capital reserves Share premium	Revenue reserves			
			General reserve	Unrealised appreciation / (diminution) available for sale investments	Retained earnings	
----- (Rupees) -----						
Balance as at January 01, 2021	502,968,030	254,024,260	119,000,000	62,840,187	1,110,233,075	2,049,065,552
Total comprehensive income						
Profit after tax for the three months period	-	-	-	-	142,067,227	142,067,227
Other comprehensive income						
Share in other comprehensive income of an associate	-	-	-	-	64	64
Net unrealised gain arising during the period on revaluation of available for sale investments net of tax	-	-	-	9,557,621	-	9,557,621
Reclassification adjustment for net gain on available for sale investments included in profit and loss account net of tax	-	-	-	(9,529,027)	-	(9,529,027)
Total comprehensive income	-	-	-	28,594	142,067,291	142,095,885
Transactions with owners recorded directly in equity						
Final cash dividend of Rs. 2 (20%) per share for the year ended December 31, 2020	-	-	-	-	(100,593,666)	(100,593,666)
Balance as at June 30, 2021	<u>502,968,030</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>62,868,781</u>	<u>1,151,706,700</u>	<u>2,090,567,771</u>
Balance as at January 01, 2022	502,968,030	254,024,260	119,000,000	106,233,575	1,282,749,800	2,264,975,665
Total comprehensive income						
Profit after tax for the six months period	-	-	-	-	118,499,669	118,499,669
Other comprehensive income						
Share in other comprehensive income of an associate	-	-	-	-	(12,233)	(12,233)
Net unrealised loss arising during the period on revaluation of available for sale investments (including WTO) net of tax	-	-	-	(10,296,755)	-	(10,296,755)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (including WTO) net of tax	-	-	-	(18,172,362)	-	(18,172,362)
Total comprehensive income	-	-	-	(28,469,117)	118,487,436	90,018,319
Transactions with owners recorded directly in equity						
Final cash dividend of Rs. 2.25 (22.5%) per share for the year ended December 31, 2021	-	-	-	-	(113,167,920)	(113,167,920)
Issue of bonus share at the rate of one for every ten share held	50,296,810	-	-	-	(50,296,810)	-
Balance as at June 30, 2022	<u>553,264,840</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>77,764,458</u>	<u>1,237,772,506</u>	<u>2,241,826,064</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

1. STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on October 10, 1985 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The Company is listed on the Pakistan Stock Exchange Limited and is engaged in general insurance business. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

The Company was granted authorization on August 07, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations by Securities and Exchange Commission of Pakistan (SECP) and under Takaful Rules, 2012 to carry on general takaful operations in Pakistan. The Company has formed a Waqf for Participants' Fund (IPTFi) by executing the Waqf deed dated August 17, 2017. The Company commenced its activities of Window Takaful Operations on August 18, 2017.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IAS) 34, interim Financial Reporting issued by the International Accounting Standards Board (IASB) as for interim Financial Reporting notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 shall prevail.

In terms of the requirements of The General Accounting Regulation, 2019, read with SECP SRO 1416(I)/2019 dated November 20, 2019, the assets, liabilities and profit and loss of the Operatoris Fund of the Window Takaful Operations (WTO) of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

3. BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis except for certain investment which are carried at fair value.

4. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to nearest Rupees, unless otherwise stated.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

These condensed interim financial statements for the three months and six months period ended June 30, 2022 have been prepared under the historical cost convention, except that investments classified as available-for-sale and investment properties are stated at fair value and obligations under employee benefits are measured at present value

5. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these condensed interim financial information are same as compared with the annual financial statements of the Company as at and for the year ended December 31, 2021.

5.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period.

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 01 January 2022 but are considered not to be relevant or do not have any significant effect on the Company's operation and therefore not detailed in these financial statements.

5.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on or after January 01, 2022:

	Effective date (annual periods beginning on or after)
Standard, interpretation or amendment	
AIP IFRS 9 Financial Instruments - Fees in the 10% test for derecognition of financial liabilities	January 01, 2022
- IFRS 3 - Revised Conceptual Framework (Amendments)	January 01, 2022
- IAS 16 - Property, Plant and Equipments: proceeds before intended use	January 01, 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	January 01, 2022
- IAS 1 - Classification of Liabilities as Current to Non-current (Amendments)	January 01, 2023
AIP IAS 41 Agriculture Taxation in fair value measurements	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023

The above amendments are not likely to have an impact on Company's condensed interim financial statements. In addition to above Standards, there are certain new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after 01 January 2022 but are considered not to be relevant to the Company's operations and therefore, are not detailed in these condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
- IFRS 17 - Insurance Contracts	January 01, 2023

6. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2021.

7. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended December 31, 2021.

8. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit and loss.

The tables below set out the fair values on gross basis as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis; and
- all other financial assets.

	June 30, 2022 (Un-audited)				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in Unrealized gain or (loss) during the period	Carrying value	Cost less impairment	Change in Unrealized gain or (loss) during the period
	----- (Rupees) -----				
Financial assets					
Investment in associate	113,873,530	-	-	-	-
Investments					
- Equity securities - Available for Sale	1,153,511,340	124,439,435	-	-	-
- Equity securities - Held for trading	79,652,825	(5,355,471)	-	-	-
- Debt securities - Held for trading	-	-	87,122,217	-	(1,484,655)
- Debt securities - available for sale	-	-	643,308,609	-	(15,003,200)
- Debt securities - held to maturity	-	-	102,188,335	-	-
Loan and other receivables*	38,483,594	-	-	-	-
Cash and Bank	-	-	470,321,482	-	-
TOTAL	1,385,521,289	119,083,964	1,302,940,643	-	(16,487,855)

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of the fair values.

	Gross Carrying amount of debt instruments that pass the SPPI test					
	AAA	A+	A	A-	Unrated	Total
	----- (Rupees) -----					
Investment in debt securities -						
Held for trading	-	-	-	-	87,122,217	87,122,217
Available for sale	57,339,612	79,070,220	20,000,000	15,000,000	471,898,777	643,308,609
Held to Maturity	-	-	-	-	102,188,335	102,188,335
	57,339,612	79,070,220	20,000,000	15,000,000	661,209,329	832,619,161

9. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business at period end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the reporting date.

10. PROPERTY AND EQUIPMENT

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note		-----	-----
		(Rupees)	
Operating assets	10.1	82,909,912	83,355,554
Right of use assets	10.2	27,452,205	35,303,605
Capital work in progress	10.3	6,510,221	6,908,621
		<u>116,872,338</u>	<u>125,567,780</u>

10.1 Operating assets

Opening written down value		83,355,554	70,599,800
Add: Additions during the period / year - at cost			
- Motor vehicles		7,531,300	23,563,555
- Computers and related accessories		921,500	1,548,240
- Office equipment		983,597	3,930,224
- Furniture and fixtures		660,560	2,030,600
- Office improvement		37,000	1,385,019
		10,133,957	32,457,638
Less: Written down value of deletions		2,171,949	3,144,010
Depreciation for the period / year		8,407,650	16,557,874
		10,579,599	19,701,884
		<u>82,909,912</u>	<u>83,355,554</u>

10.2 Right of use assets

Opening written down value as at		35,303,605	38,925,248
Additions during the period / year		-	8,555,204
Depreciation for the period / year		(7,851,400)	12,176,847
Closing written down value as at		<u>27,452,205</u>	<u>35,303,605</u>

10.3 Capital work in progress

Advance against purchase of vehicles		5,422,221	6,428,621
Renovation of office		1,088,000	480,000
		<u>6,510,221</u>	<u>6,908,621</u>

11. INVESTMENT IN ASSOCIATES

Beginning of the period / year		60,681,713	49,959,574
Share of profit from associates		5,913,016	12,986,965
Dividend received from associates		(655,963)	(2,273,909)
Share in other comprehensive (loss) / income		(12,233)	9,083
End of the period / year	11.1	<u>65,926,533</u>	<u>60,681,713</u>

11.1 This includes investment in Colgate - Palmolive (Pakistan) Limited of Rs. 13.393 million (December 31, 2021: Rs. 12.982 million) and Century Paper & Board Mills Limited of Rs.52.533 million (December 31, 2021: Rs 47.700 million).

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

12. INVESTMENTS

12.1 Investments in equity

Note	June 30, 2022 (Un-audited)				December 31, 2021 (Audited)				
	Cost	Impairment on AFS	Unrealised gain / (loss) on revaluation	Carrying value	Cost	Impairment on AFS	Unrealised gain / (loss) on revaluation	Carrying value	
	----- (Rupees) -----								
Available for sale	12.1.1	1,031,882,381	(2,810,476)	124,439,435	1,153,511,340	972,045,049	-	154,616,226	1,126,661,275
Held for trading		85,008,296	-	(5,355,471)	79,652,825	104,433,344	-	(6,225,965)	98,207,379
		1,116,890,677	(2,810,476)	119,083,964	1,233,164,165	1,076,478,393	-	148,390,261	1,224,868,654

12.1.1 Available for sale

Related parties

Mutual funds	438,319,530	-	123,661,046	561,980,576	459,015,352	-	125,975,547	584,990,899
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Others

Listed shares	61,213,461	(2,810,476)	(117,349)	58,285,636	64,819,749	-	4,184,720	69,004,469
Unlisted shares	75,283	-	-	75,283	75,283	-	-	75,283
Mutual funds	532,274,107	-	895,738	533,169,845	448,134,665	-	24,455,959	472,590,624
	593,562,851	(2,810,476)	778,389	591,530,764	513,029,697	-	28,640,679	541,670,376
	1,031,882,381	(2,810,476)	124,439,435	1,153,511,340	972,045,049	-	154,616,226	1,126,661,275

12.2 Investments in debt securities

Note	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Unrealised gain / (loss) on revaluation	Carrying value	Cost	Unrealised gain / (loss) on revaluation	Carrying value
	----- (Rupees) -----					
Held for trading						
Government securities	88,606,872	(1,484,655)	87,122,217	90,170,946	(2,093,235)	88,077,711
Held to maturity						
Government securities	54,758,557	-	54,758,557	54,633,134	-	54,633,134
Commercial paper	47,429,778	-	47,429,778	-	-	-
	102,188,335	-	102,188,335	54,633,134	-	54,633,134
Available for sale						
Sukuk	25,000,000	-	25,000,000	25,000,000	-	25,000,000
Term finance certificate	142,912,400	3,497,432	146,409,832	242,934,000	2,046,292	244,980,292
Government securities	490,399,409	(18,500,632)	471,898,777	177,288,516	(7,046,856)	170,241,660
	658,311,809	(15,003,200)	643,308,609	445,222,516	(5,000,564)	440,221,952
	849,107,016	(16,487,855)	832,619,161	590,026,596	(7,093,799)	582,932,797

12.2.1 This includes securities which are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

12.2.2 The market value of held to maturity debt securities is Rs. 54.958 million (2021: Rs. 54.882 million).

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	------(Rupees) -----	
13. LOAN AND OTHERS RECEIVABLE			
Accrued investment income		16,347,292	17,683,925
Security deposits		7,941,595	6,889,003
Advance to employees		2,857,885	3,769,693
Advance against expenses		989,409	1,199,409
Receivable against sale of shares		1,355,383	418,208
Receivable from Window Takaful Operations		7,363,137	10,314,183
Others		1,628,893	2,002,862
		<u>38,483,594</u>	<u>42,277,283</u>
14. INSURANCE / RE-INSURANCE RECEIVABLE			
Due from insurance contract holders	14.1	758,163,605	433,862,590
Amounts due from other insurers / reinsurers		22,922,454	54,983,991
Reinsurance recoveries due but unpaid		100,499,251	52,295,564
		<u>881,585,310</u>	<u>541,142,145</u>
14.1	This include receivable amounting to Rs. 635.607 million (December 31, 2021: Rs. 297.285 million) due from related parties.		
		(Un-audited) June 30, 2022	(Audited) December 31, 2021
		------(Rupees) -----	
15. PREPAYMENTS			
Prepaid reinsurance premium ceded		296,332,863	232,526,948
Prepayments		2,109,067	4,092,034
		<u>298,441,930</u>	<u>236,618,982</u>
16. CASH AND BANK			
Cash and cash equivalents			
Cash in hand		338,590	341,287
Policy stamps and bond papers in hand		3,791,055	2,689,689
Deposit with SBP		5,153,258	5,153,258
		<u>9,282,903</u>	8,184,234
Current and other accounts			
Current accounts		33,709,212	13,160,935
Saving accounts		427,329,367	704,129,521
		<u>461,038,579</u>	717,290,456
		<u>470,321,482</u>	<u>725,474,690</u>
16.1	Saving accounts expected profit rate ranging from 10.25% to 13.50% per annum (December 31, 2021: 5.50% to 12.00% per annum).		

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

16.2 Cash includes the following for the purposes of the Statement of Cash Flows:

	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
	------(Rupees)-----	
Cash and balance	470,321,482	778,379,746
Less: Local Currency account with the lien	<u>1,000,000</u>	<u>1,000,000</u>
	<u>469,321,482</u>	<u>777,379,746</u>
	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	

17. WINDOW TAKAFUL OPERATIONS

Assets

Investments	110,344,244	105,036,455
Cash and bank deposits	1,846,327	5,539,413
Current assets - others	<u>30,340,637</u>	<u>19,846,208</u>
Total Assets	<u>142,531,208</u>	<u>130,422,076</u>
Total Liabilities - current	<u>53,945,004</u>	<u>48,644,031</u>

	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	------(Rupees)-----			
Profit before tax for the period	<u>5,832,205</u>	<u>6,691,183</u>	<u>11,185,756</u>	<u>10,983,872</u>

Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed condensed interim financial information.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
18. INSURANCE AND REINSURANCE PAYABLES		
Due to other Insurers / reinsurers	<u>463,203,168</u>	<u>305,654,671</u>
	<u>463,203,168</u>	<u>305,654,671</u>

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
19. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	52,878,778	48,643,721
Federal excise duty	45,936,264	17,408,943
Federal insurance fees	5,702,839	1,950,270
Creditors	4,829,497	4,373,767
Retention money	141,073	141,073
Margin deposits	6,049,333	4,979,812
Payable against purchase of shares	117,589	1,247
Accrued expenses	14,038,866	14,791,628
Deposits from employees against car scheme	17,943,802	16,742,200
Unclaimed dividend	6,066,419	5,443,770
Lease liability	31,016,665	38,581,093
Others	3,359,058	3,180,874
	<u>188,080,183</u>	<u>156,238,398</u>

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

The status of contingencies remain unchanged as disclosed in annual audited financial statements for the year ended December 31, 2021.

20.2 Commitments

There are no commitments as at June 30, 2022 (December 31, 2021: Nil)

21. NET INSURANCE PREMIUM

	(Un-audited)			
	Three month period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	------(Rupees)-----			
Written Gross premium	710,135,059	619,589,520	1,015,545,671	884,850,694
Add : Unearned premium reserve opening	536,086,555	429,253,143	641,585,269	521,370,886
Less: Unearned premium reserve closing	820,102,898	699,004,578	820,102,898	699,004,578
Premium earned	<u>426,118,716</u>	349,838,085	<u>837,028,042</u>	707,217,002
Less: Reinsurance premium ceded	<u>274,977,156</u>	257,307,581	<u>382,189,932</u>	343,705,336
Add: Prepaid reinsurance premium opening	<u>190,763,243</u>	153,787,741	<u>232,526,948</u>	203,828,710
Less: Prepaid reinsurance premium closing	<u>296,332,863</u>	270,318,161	<u>296,332,863</u>	270,318,161
Reinsurance expense	<u>169,407,536</u>	140,777,161	<u>318,384,017</u>	277,215,885
	<u>256,711,180</u>	209,060,924	<u>518,644,025</u>	430,001,117

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

	(Un-audited)			
	Three month period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
22. NET INSURANCE CLAIMS EXPENSE	----- (Rupees) -----			
Claim paid	160,148,932	136,063,021	421,849,296	302,149,792
Add : Outstanding claims including IBNR closing	660,463,354	271,814,461	660,463,354	271,814,461
Less: Outstanding claims including IBNR opening	634,921,997	232,077,385	294,800,833	260,105,733
	185,690,289	175,800,097	787,511,817	313,858,520
Less: Reinsurance and others recoveries received	48,487,582	49,726,403	185,557,427	107,677,812
Add: Reinsurance and others recoveries in respect of outstanding claims closing	432,851,203	129,634,712	432,851,203	129,634,712
Less: Reinsurance and others recoveries in respect of outstanding claims opening	434,647,228	105,318,123	123,311,654	125,342,540
Reinsurance and other recoveries revenue	46,691,557	74,042,992	495,096,976	111,969,984
	138,998,732	101,757,105	292,414,841	201,888,536
23. NET COMMISSION EXPENSE				
Commission paid or payable	16,655,262	15,493,727	37,165,400	33,164,432
Add : Deferred commission expense opening	29,065,084	23,085,717	28,909,708	25,643,610
Less: Deferred commission expense closing	25,429,885	19,762,621	25,429,885	19,762,621
Net commission	20,290,461	18,816,823	40,645,223	39,045,421
Less: Commission received or recoverable	55,174,704	50,063,300	86,413,471	76,247,548
Add: Unearned Reinsurance commission opening	45,312,213	37,999,140	54,234,596	46,716,196
Less: Unearned Reinsurance commission closing	57,693,831	50,866,183	57,693,831	50,866,183
Commission from reinsurers	42,793,086	37,196,257	82,954,236	72,097,561
	(22,502,625)	(18,379,434)	(42,309,013)	(33,052,140)

24. INVESTMENT INCOME

	(Un-audited)			
	Three month period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
----- (Rupees) -----				
Income from equity securities				
Available-for-sale				
Dividend income	9,710,505	16,493,490	13,455,930	17,207,930
Held for trading				
Dividend income	1,318,243	1,427,130	3,156,754	3,273,065
Income from debt securities				
Held to maturity				
Return on government securities	1,715,139	1,581,054	3,309,000	4,595,710
Return on other fixed income securities and deposits	1,130,898	-	1,130,898	-
	2,846,037	1,581,054	4,439,898	4,595,710
Available-for-sale				
Return on government securities	10,778,078	5,967,935	15,370,710	12,121,585
Return on other fixed income securities and deposits	9,288,899	2,059,932	17,344,390	3,785,294
	20,066,977	8,027,867	32,715,100	15,906,879
Held for trading				
Return on government securities	2,614,970	1,669,176	4,820,964	3,404,029
Income from term deposits				
Return on term deposits	-	5,962,037	-	12,275,005
Net realised gains on investments				
Available for sale				
- Gain on sale of equity securities	40,847,159	42,570	46,578,196	15,814,054
Fair value through profit or loss				
- (Loss) / gain on sale of equity securities	(10,594,915)	2,381,054	(10,489,046)	4,445,314
- Gain on sale of debt securities	-	-	-	6,056
	(10,594,915)	2,381,054	(10,489,046)	4,451,370
Net unrealised (loss) / gain on investments at fair value through profit and loss (Held for trading purposes)				
- Equity securities	(1,410,617)	2,942,877	(5,355,471)	2,507,329
- Debt securities	(931,099)	(2,781,249)	(1,484,655)	(3,412,133)
	(2,341,716)	161,628	(6,840,126)	(904,804)
Total investment income	64,467,260	37,746,006	87,837,670	76,023,238
Add: Reversal of impairment in debt securities				
Held to maturity	62,256	-	62,256	-
Less: Impairment in value of available-for-sale	(2,810,476)	-	(2,810,476)	-
Less: Investment related expenses	(1,185,817)	(864,636)	(2,181,635)	(1,783,854)
Investment income	60,533,223	36,881,370	82,907,815	74,239,384

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

	(Un-audited)			
	Three month period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Rupees) -----			
25. OTHER INCOME				
Return on bank balances	14,862,005	12,271,941	33,628,204	21,417,765
Gain on sale of fixed assets	34,110	89,963	2,982,416	502,789
Others	41,080	(381,763)	37,245	(381,763)
	<u>14,937,195</u>	<u>11,980,141</u>	<u>36,647,865</u>	<u>21,538,791</u>
26. EARNINGS PER SHARE - BASIC AND DILUTED (Restated)				
Profit after tax for the period	<u>61,942,293</u>	71,117,096	<u>118,499,669</u>	142,067,227
	----- (Numbers) -----			
Weighted average number of ordinary shares	<u>55,326,484</u>	55,326,484	<u>55,326,484</u>	55,326,484
	----- (Rupees) -----			
Earnings per share - basic and diluted	26.1 & 26.2	<u>1.12</u>	1.29	<u>2.14</u>
				2.57

26.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

26.2 Earnings per share of last period has been restated based on bonus element for bonus shares issued during the year.

27. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies; directors and their close family members; staff retirement funds; key management personnel and major shareholders of the Company. The associated companies are associated either based on holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes.

Balances, including investments in associates, are disclosed in relevant notes to these condensed interim financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	(Un-audited)			
	Three month period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Rupees) -----			
Transactions with related parties				
Premium written	587,490,447	478,193,592	680,418,703	556,885,447
Claims paid	43,060,265	61,318,673	110,160,487	113,235,238
Investment in mutual funds	293,873,999	21,884,312	352,481,403	105,159,412
Sale of units of mutual funds	320,114,886	8,907,108	376,344,166	90,447,639
Dividend received	-	-	655,963	582,050
Donation paid	-	500,000	-	500,000
Dividend paid	86,854,544	77,204,246	86,854,544	77,204,246
Expenses	14,493,605	7,008,273	26,829,933	13,298,292
Staff benefit plans	4,170,686	3,586,625	7,864,886	6,809,378
Remuneration to key management personnel	36,685,256	16,112,264	62,790,439	40,083,298

28. FAIR VALUE OF MEASUREMENT

IFRS 13 'Fair Value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates, fair value is determined by reference to average broker rates.

Fair value hierarchy

IFRS 13 requires the Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;
- Level 3 Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amount and fair values of financial assets and financial liabilities,

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

including their levels in the fair value hierarchy.

	June 30, 2022 (Un-audited)										
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associate	Other financial	Total	Level 1	Level 2	Level 3	Total
	(Rupees)										
Financial assets measured at fair value											
Investments											
- Equity	79,652,825	1,153,436,057	-	-	-	-	1,233,088,882	137,938,461	767,312,624	327,837,797	1,233,088,882
- Debt	87,122,217	643,308,609	-	-	-	-	730,430,826	-	730,430,826	-	730,430,826
Assets of Window Takaful Operations - Operatoris fund	-	110,344,244	-	-	-	-	110,344,244	-	110,344,244	-	110,344,244
Financial assets not measured at fair value											
Cash and bank*	-	-	-	470,321,482	-	-	470,321,482	-	-	-	-
Investments											
- In associates	-	-	-	-	65,926,533	-	65,926,533	113,873,530	-	-	113,873,530
- Debt securities	-	-	54,758,557	-	-	-	54,758,557	-	-	-	-
- Unquoted equity shares*	-	75,283	-	-	-	-	75,283	-	-	75,283	75,283
Insurance / reinsurance receivable*	-	-	-	881,585,310	-	-	881,585,310	-	-	-	-
Loan and other receivable*	-	-	-	34,636,300	-	-	34,636,300	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	432,851,203	-	-	432,851,203	-	-	-	-
Assets of Window Takaful Operations - Operatoris fund*	-	-	-	26,844,110	-	-	26,844,110	-	-	-	-
Financial liabilities not measured at fair value											
Outstanding claims including IBNR*	-	-	-	-	-	(660,463,354)	(660,463,354)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(463,203,168)	(463,203,168)	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(136,441,080)	(136,441,080)	-	-	-	-
Total liabilities of Window Takaful Operations - Operatoris fund*	-	-	-	-	-	(17,850,655)	(17,850,655)	-	-	-	-
	166,775,042	1,907,164,193	54,758,557	1,846,238,405	65,926,533	(1,277,958,257)	2,762,904,473	251,811,991	1,608,087,694	327,913,080	2,187,812,765

December 31, 2021 (Audited)

	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associate	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)											
Financial assets measured at fair value											
Investments											
- Equity	98,207,379	1,126,585,992	-	-	-	-	1,224,793,371	167,211,848	729,743,726	327,837,797	1,224,793,371
- Debt	88,077,711	440,221,952	-	-	-	-	528,299,663	-	528,299,663	-	528,299,663
Assets of Window Takaful Operations											
- Operator's fund	-	105,036,455	-	-	-	-	105,036,455	-	105,036,455	-	105,036,455
Financial assets not measured at fair value											
Cash and bank*	-	-	-	725,474,690	-	-	725,474,690	-	-	-	-
Investments											
- In associates	-	-	-	-	60,681,713	-	60,681,713	129,679,073	-	-	129,679,073
- Debt securities	-	-	54,633,134	-	-	-	54,633,134	-	54,882,400	-	54,882,400
- Unquoted equity shares*	-	75,283	-	-	-	-	75,283	-	-	75,283	75,283
Insurance / reinsurance receivable*	-	-	-	541,142,145	-	-	541,142,145	-	-	-	-
Loan and other receivables	-	-	-	37,308,181	-	-	37,308,181	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	123,311,654	-	-	123,311,654	-	-	-	-
Total assets of Window Takaful Operations - Operator's fund*	-	-	-	20,523,634	-	-	20,523,634	-	-	-	-
Financial liabilities not measured at fair value											
Outstanding claims including IBNR*	-	-	-	-	-	(294,800,833)	(294,800,833)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(305,654,671)	(305,654,671)	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(123,654,887)	(123,654,887)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's fund*	-	-	-	-	-	(21,924,911)	(21,924,911)	-	-	-	-
	186,285,090	1,671,919,682	54,633,134	1,447,760,304	60,681,713	(746,035,302)	2,675,244,621	296,890,921	1,417,962,244	327,913,080	2,042,766,245

28.1 Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV & PKFRV rates (MUFAP page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration, etc.

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

28.2 During the period ended June 30, 2022, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

29. SEGMENT INFORMATION

	Three months period ended June 30, 2022 (Un-audited)					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	
 (Rupees)					
Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	266,179,269	121,787,905	130,783,716	241,840,586	29,342,881	789,934,357
Less: - Federal Excise Duty / Sales Tax	30,938,634	12,882,726	15,397,320	5,083,588	3,397,230	67,699,498
- Federal Insurance Fee	2,334,023	1,016,368	1,145,612	2,378,311	256,769	7,131,083
- Others	24,900	6,273,787	82,050	1,850	12,450	6,395,037
Add: - Facultative inward premium	576,259	256,645	354,069	-	239,347	1,426,320
Gross written premium (Inclusive of Administrative Surcharge)	233,457,971	101,871,669	114,512,803	234,376,837	25,915,779	710,135,059
- Gross direct premium	232,404,112	99,514,375	112,025,521	234,317,700	25,483,227	703,744,935
- Facultative inward premium	576,259	256,645	354,069	-	239,347	1,426,320
- Administrative surcharge	477,600	2,100,649	2,133,213	59,137	193,205	4,963,804
	233,457,971	101,871,669	114,512,803	234,376,837	25,915,779	710,135,059
Insurance premium earned	120,895,459	105,981,473	97,952,725	82,049,253	19,239,806	426,118,716
Insurance premium ceded to reinsurers	(110,543,746)	(42,016,295)	(2,786,981)	(231,456)	(13,829,058)	(169,407,536)
Net Insurance premium	10,351,713	63,965,178	95,165,744	81,817,797	5,410,748	256,711,180
Commission income	23,325,497	16,167,431	94,347	67,149	3,138,662	42,793,086
Net underwriting income	33,677,210	80,132,609	95,260,091	81,884,946	8,549,410	299,504,266
Insurance claims	(16,228,732)	(25,751,739)	(64,342,600)	(75,783,000)	(3,550,788)	(185,656,859)
Insurance claims recovered from reinsurers	15,897,162	15,498,990	11,970,142	200,000	3,091,833	46,658,127
Net claims	(331,570)	(10,252,749)	(52,372,458)	(75,583,000)	(458,955)	(138,998,732)
Commission expense	(7,060,113)	(6,261,218)	(5,174,672)	(903,013)	(891,445)	(20,290,461)
Management expense	(39,798,595)	(8,781,867)	(10,541,207)	(43,183,051)	(3,326,190)	(105,630,910)
Net insurance claims and expenses	(47,190,278)	(25,295,834)	(68,088,337)	(119,669,064)	(4,676,590)	(264,920,103)
Underwriting results	(13,513,068)	54,836,775	27,171,754	(37,784,118)	3,872,820	34,584,163
Investment income						60,533,223
Other income						14,937,195
Other expenses						(2,833,506)
Finance costs - Lease liabilities						(1,057,737)
Share of profit of associates						5,913,016
Profit before tax from Window Takaful Operations						5,832,205
Profit before tax for the period						117,908,559

Six months period ended June 30, 2022 (Un-audited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	----- (Rupees) -----					
Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	330,410,261	237,950,930	249,242,157	274,200,436	47,245,109	1,139,048,893
Less: - Federal Excise Duty / Sales Tax	38,827,927	25,350,352	29,564,530	5,505,626	5,586,734	104,835,169
- Federal Insurance Fee	2,891,705	1,984,843	2,180,948	2,759,098	412,224	10,228,818
- Others	42,350	12,162,707	178,750	3,750	23,700	12,411,257
Add: - Facultative inward premium	2,999,509	256,645	476,521	-	239,347	3,972,022
Gross written premium (Inclusive of Administrative Surcharge)	291,647,788	198,709,673	217,794,450	265,931,962	41,461,798	1,015,545,671
- Gross direct premium	287,839,675	194,269,103	212,706,886	265,821,088	40,883,752	1,001,520,504
- Facultative inward premium	2,999,509	256,645	476,521	-	239,347	3,972,022
- Administrative surcharge	808,604	4,183,925	4,611,043	110,874	338,699	10,053,145
	291,647,788	198,709,673	217,794,450	265,931,962	41,461,798	1,015,545,671
Insurance premium earned	232,009,530	197,313,147	190,405,179	180,721,961	36,578,225	837,028,042
Insurance premium ceded to reinsurers	(205,722,326)	(81,622,239)	(5,274,604)	(378,281)	(25,386,567)	(318,384,017)
Net Insurance premium	26,287,204	115,690,908	185,130,575	180,343,680	11,191,658	518,644,025
Commission income	43,940,843	32,866,749	179,533	110,495	5,856,616	82,954,236
Net underwriting income	70,228,047	148,557,657	185,310,108	180,454,175	17,048,274	601,598,261
Insurance claims	(425,100,102)	(61,723,092)	(130,223,587)	(154,923,172)	(15,508,434)	(787,478,387)
Insurance claims recovered from reinsurers	415,639,960	40,497,702	26,910,432	200,000	11,815,452	495,063,546
Net claims	(9,460,142)	(21,225,390)	(103,313,155)	(154,723,172)	(3,692,982)	(292,414,841)
Commission expense	(14,452,558)	(11,705,642)	(10,522,236)	(2,190,731)	(1,774,056)	(40,645,223)
Management expense	(58,452,989)	(39,826,033)	(43,651,065)	(53,298,940)	(8,309,907)	(203,538,934)
Net insurance claims and expenses	(82,365,689)	(72,757,065)	(157,486,456)	(210,212,843)	(13,776,945)	(536,598,998)
Underwriting results	(12,137,642)	75,800,592	27,823,652	(29,758,668)	3,271,329	64,999,263
Investment income						82,907,815
Other income						36,647,865
Other expenses						(4,892,898)
Finance costs - Lease liabilities						(2,230,068)
Share of profit of associates						5,913,016
Profit before tax from Window Takaful Operations						11,185,756
Profit before tax for the period						194,530,749

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

	Three months period ended June 30, 2021 (Un-audited)					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	
	----- (Rupees) -----					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	258,527,342	92,539,970	110,411,679	211,406,753	16,734,111	689,619,855
Less: - Federal Excise Duty / Sales Tax	29,893,389	10,071,466	13,059,268	4,441,230	1,960,484	59,425,837
- Federal Insurance Fee	2,263,539	768,485	966,034	2,173,008	146,225	6,317,291
- Others	18,350	4,849,731	79,810	2,650	5,700	4,956,241
Add: - Facultative inward premium	-	57,505	556,757	-	54,772	669,034
Gross written premium (inclusive of Administrative Surcharge)	226,352,064	76,907,793	96,863,324	204,789,865	14,676,474	619,589,520
- Gross direct premium	225,904,374	74,838,246	94,301,259	204,720,688	14,498,306	614,262,873
- Facultative inward premium	-	57,505	556,757	-	54,772	669,034
- Administrative surcharge	447,690	2,012,042	2,005,308	69,177	123,396	4,657,613
	226,352,064	76,907,793	96,863,324	204,789,865	14,676,474	619,589,520
Insurance premium earned	99,949,181	78,655,369	86,223,052	70,163,077	14,847,406	349,838,085
Insurance premium ceded to reinsurers	(93,107,506)	(32,837,537)	(2,280,608)	(181,573)	(12,369,937)	(140,777,161)
Net Insurance premium	6,841,675	45,817,832	83,942,444	69,981,504	2,477,469	209,060,924
Commission income	21,157,533	12,668,240	80,151	52,657	3,237,676	37,196,257
Net underwriting income	27,999,208	58,486,072	84,022,595	70,034,161	5,715,145	246,257,181
Insurance claims	(39,327,514)	(16,598,137)	(55,572,930)	(59,625,740)	(4,675,776)	(175,800,097)
Insurance claims recovered from reinsurers	36,020,896	10,673,345	23,528,888	-	3,819,863	74,042,992
Net claims	(3,306,618)	(5,924,792)	(32,044,042)	(59,625,740)	(855,913)	(101,757,105)
Commission expense	(6,241,377)	(5,515,763)	(4,948,833)	(1,295,585)	(815,265)	(18,816,823)
Management expense	(36,622,648)	(5,121,136)	(5,715,216)	(35,559,555)	(1,175,620)	(84,194,175)
Net insurance claims and expenses	(46,170,643)	(16,561,691)	(42,708,091)	(96,480,880)	(2,846,798)	(204,768,103)
Underwriting results	(18,171,435)	41,924,381	41,314,504	(26,446,719)	2,868,347	41,489,078
Investment income						36,881,370
Other income						11,980,141
Other expenses						(2,458,419)
Share of profit of associates						4,297,873
Finance costs - Lease liabilities						(1,491,990)
Profit before tax from Window Takaful Operations						6,691,183
Profit before tax for the period						97,389,236

Six months period ended June 30, 2021 (Un-audited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	----- (Rupees) -----					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	312,782,170	184,690,645	227,963,257	236,082,291	31,786,795	993,305,158
Less: - Federal Excise Duty / Sales Tax	36,677,235	19,991,745	27,126,231	4,474,038	3,814,139	92,083,388
- Federal Insurance Fee	2,734,548	1,534,038	1,994,011	2,472,955	276,829	9,012,381
- Others	29,950	9,782,624	169,410	3,600	14,050	9,999,634
Add: - Facultative inward premium	1,937,681	57,505	590,981	-	54,772	2,640,939
Gross written premium (inclusive of Administrative Surcharge)	<u>275,278,118</u>	<u>153,439,743</u>	<u>199,264,586</u>	<u>229,131,698</u>	<u>27,736,549</u>	<u>884,850,694</u>
- Gross direct premium	272,592,602	149,225,505	194,357,742	229,028,826	27,459,473	872,664,148
- Facultative inward premium	1,937,681	57,505	590,981	-	54,772	2,640,939
- Administrative surcharge	747,835	4,156,733	4,315,863	102,872	222,304	9,545,607
	<u>275,278,118</u>	<u>153,439,743</u>	<u>199,264,586</u>	<u>229,131,698</u>	<u>27,736,549</u>	<u>884,850,694</u>
Insurance premium earned	207,046,226	153,748,885	169,714,736	146,766,078	29,941,077	707,217,002
Insurance premium ceded to reinsurers	(186,009,642)	(63,846,675)	(4,556,098)	(350,005)	(22,453,465)	(277,215,885)
Net Insurance premium	<u>21,036,584</u>	<u>89,902,210</u>	<u>165,158,638</u>	<u>146,416,073</u>	<u>7,487,612</u>	<u>430,001,117</u>
Commission income	41,177,894	24,735,961	154,300	101,503	5,927,903	72,097,561
Net underwriting income	<u>62,214,478</u>	<u>114,638,171</u>	<u>165,312,938</u>	<u>146,517,576</u>	<u>13,415,515</u>	<u>502,098,678</u>
Insurance claims	(59,990,065)	(23,810,363)	(101,406,609)	(117,393,707)	(11,257,776)	(313,858,520)
Insurance claims recovered from reinsurers	55,719,704	13,414,359	33,304,991	-	9,530,930	111,969,984
Net claims	(4,270,361)	(10,396,004)	(68,101,618)	(117,393,707)	(1,726,846)	(201,888,536)
Commission expense	(13,321,832)	(11,794,757)	(9,876,548)	(2,207,114)	(1,845,170)	(39,045,421)
Management expense	(51,811,078)	(28,879,442)	(37,504,300)	(43,125,695)	(5,220,395)	(166,540,910)
Net insurance claims and expenses	<u>(69,403,271)</u>	<u>(51,070,203)</u>	<u>(115,482,466)</u>	<u>(162,726,516)</u>	<u>(8,792,411)</u>	<u>(407,474,867)</u>
Underwriting results	<u>(7,188,793)</u>	<u>63,567,968</u>	<u>49,830,472</u>	<u>(16,208,940)</u>	<u>4,623,104</u>	<u>94,623,811</u>
Investment income						74,239,384
Other income						21,538,791
Other expenses						(5,391,835)
Share of profit of associates						4,297,873
Finance costs - Lease liabilities						(2,883,907)
Profit before tax from Window Takaful Operations						<u>10,983,872</u>
Profit before tax for the period						<u>197,407,989</u>

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

The class wise assets and liabilities are as follows:

	Six months period ended June 30, 2022 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
Segment assets	933,539,031	210,025,142	203,115,258	231,286,146	96,782,630	1,674,748,207
Unallocated assets	-	-	-	-	-	2,760,656,627
Unallocated assets of Window Takaful Operation - Operator's Fund	-	-	-	-	-	142,531,208
Total assets	933,539,031	210,025,142	203,115,258	231,286,146	96,782,630	4,577,936,042
Segment liabilities	803,375,313	163,733,492	439,773,530	461,144,364	103,553,408	1,971,580,107
Unallocated liabilities	-	-	-	-	-	310,584,867
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	53,945,004
Total liabilities	803,375,313	163,733,492	439,773,530	461,144,364	103,553,408	2,336,109,978
	December 31, 2021 (Audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
Segment assets	421,524,928	155,382,764	151,189,087	121,460,473	84,318,203	933,875,455
Unallocated assets						2,786,177,835
Unallocated assets of Window Takaful Operation - Operator's Fund						130,422,076
Total assets	421,524,928	155,382,764	151,189,087	121,460,473	84,318,203	3,850,475,366
Segment liabilities	409,071,450	145,580,886	339,138,927	303,502,201	101,964,583	1,299,258,047
Unallocated liabilities						237,597,623
Unallocated liabilities of Window Takaful Operation - Operator's Fund						48,644,031
Total liabilities	409,071,450	145,580,886	339,138,927	303,502,201	101,964,583	1,585,499,701

30. GENERAL

Figures in these condensed interim financial information have been rounded off to the nearest rupees, unless otherwise stated.

31. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial information were authorised for issue in accordance with a resolution of the Board of Directors on August 25, 2022.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Window
TAKAFUL
Operations

Financial Statements

Independent Auditor's Review Report

To the members of Century Insurance Company Limited – Window Takaful Operations

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Century Insurance Company Limited - Window Takaful Operations** (the Operator) as at **30 June 2022** and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in funds, condensed interim statement of cash flows, and notes forming part thereof (here-in-after referred to as the interim financial statements) for the six-months period then ended. Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the quarters ended 30 June 2022 and 30 June 2021 in the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Scope of review

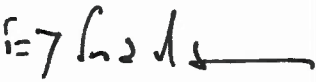
We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with

the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 31 August 2022

Karachi

UDN Number: RR202210076qUYFCHwa8

Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2022

	Note	Operatoris Fund		Participantisi Takaful Fund	
		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees)					
Assets					
Investments					
Equity securities / mutual funds	9.1	110,344,244	105,036,455	42,970,857	20,506,970
Debt securities	9.2	-	-	-	500,000
Loan and other receivables	10	24,201	26,451	928,361	886,051
Takaful / retakaful receivables	11	-	-	56,543,175	42,025,098
Retakaful recoveries against outstanding claims	19	-	-	16,180,828	11,853,077
Deferred commission expense / acquisition cost	20	5,342,854	4,861,987	-	-
Receivable from PTF	12	24,973,582	14,957,770	-	-
Deferred wakala fee	21	-	-	32,257,827	21,817,515
Prepaid retakaful contribution ceded	17	-	-	21,920,473	16,967,476
Cash and bank	13	1,846,327	5,539,413	63,372,171	58,154,524
Total Assets		142,531,208	130,422,076	234,173,692	172,710,711

	Operatoris Fund		Participants Takaful Fund	
	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)

Note

(Rupees)

Funds and Liabilities

Funds attributable to:

Operatoris Fund

Statutory fund	50,000,000	50,000,000	-	-
Reserves	64,731	6,456	-	-
Accumulated profit	38,521,473	31,771,589	-	-

Participants Takaful Fund

Ceded Money	-	-	500,000	500,000
Accumulated surplus	-	-	17,405,311	22,256,364

Total Funds

	88,586,204	81,778,045	17,905,311	22,756,364
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Liabilities

PTF underwriting provisions

Outstanding claims including IBNR	19	-	-	54,071,703	35,843,954
Unearned contribution reserve	17	-	-	81,626,416	58,557,387
Reserve for unearned retakaful rebate	18	-	-	4,301,880	3,055,853
		-	-	139,999,999	97,457,194
Unearned Wakala fee	21	32,257,827	21,817,515	-	-
Payable to OPF	12	-	-	24,973,582	14,957,770
Deferred taxation		26,439	2,637	-	-
Contribution received in advance		-	-	1,439,913	1,119,255
Takaful / retakaful payables	14	-	-	43,974,490	34,272,044
Other creditors and accruals	15	17,850,655	21,924,911	5,880,397	2,148,084
Taxation - provision less payment		3,810,083	4,898,968	-	-
		53,945,004	48,644,031	76,268,382	52,497,153

Total Liabilities

	53,945,004	48,644,031	216,268,381	149,954,347
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Total Funds and Liabilities

	142,531,208	130,422,076	234,173,692	172,710,711
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Contingency and Commitment

16

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Muhammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-audited)

For the three and six months period ended June 30, 2022


	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note	----- (Rupees) -----		----- (Rupees) -----	
Participants' Takaful Fund - revenue account				
Contribution earned	25,999,881	18,742,054	52,652,898	36,182,234
Less: Contribution ceded to retakaful	(18,085,702)	(10,357,467)	(31,019,460)	(18,314,195)
Net contribution revenue	17 7,914,179	8,384,587	21,633,438	17,868,039
Retakaful rebate earned	18 3,397,782	1,685,220	5,866,798	2,928,576
Net underwriting income	11,311,961	10,069,807	27,500,236	20,796,615
Net claims - reported / settled	19 (17,708,579)	(5,679,621)	(34,057,137)	(15,150,652)
Direct expenses	(853,358)	(574,629)	(1,645,268)	(1,165,552)
(Deficit) / surplus before investment income	(7,249,976)	3,815,557	(8,202,169)	4,480,411
Investment income	22 1,416,953	478,079	2,233,653	584,924
Other income	23 1,091,049	638,466	1,910,486	1,106,789
Less: Mudaribis share of investment income	24 (487,321)	(223,309)	(814,548)	(338,343)
(Deficit) / surplus transferred to the accumulated surplus	(5,229,295)	4,708,793	(4,872,578)	5,833,781
Operatoris Fund - revenue account				
Wakala fee	21 15,254,677	11,530,921	30,291,006	22,487,837
Commission expense	20 (5,256,604)	(2,014,467)	(10,287,299)	(4,386,922)
General, administration and management expenses	(8,489,983)	(4,936,788)	(15,215,927)	(9,602,770)
	1,508,090	4,579,666	4,787,780	8,498,145
Mudarib share of PTF investment income	24 487,321	223,309	814,548	338,343
Investment income	22 4,090,642	2,168,067	5,828,175	2,423,809
Other income	23 94,097	46,608	153,255	128,454
Direct expenses	(347,945)	(326,467)	(398,002)	(404,879)
Profit before tax	5,832,205	6,691,183	11,185,756	10,983,872
Taxation - Current	(1,691,339)	(1,940,443)	(3,243,869)	(3,185,323)
- Super Tax	(447,430)	-	(447,430)	-
- Super Tax prior year	(744,573)	-	(744,573)	-
	(2,883,342)	(1,940,443)	(4,435,872)	(3,185,323)
Profit after tax	2,948,863	4,750,740	6,749,884	7,798,549

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three and six months period ended June 30, 2022

	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Rupees) -----		----- (Rupees) -----	
Participants' Fund				
(Deficit) / surplus for the period	(5,229,295)	4,708,793	(4,872,578)	5,833,781
Other Comprehensive Income for the period				
- Unrealized (loss) / gain on available for sale investments	(115,604)	(166,443)	22,688	16,064
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	-	(1,163)	-
	(115,604)	(166,443)	21,525	16,064
Total Comprehensive (loss) / income for the period	(5,344,899)	4,542,350	(4,851,053)	5,849,845
Operator's Fund				
Profit after tax	2,948,863	4,750,740	6,749,884	7,798,549
Other Comprehensive Income for the period				
Items that will be reclassified to profit and loss account				
- Unrealized (loss) / gain on available for sale investments - net of tax	(512,937)	(630,727)	64,731	73,814
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	(34,045)	(6,456)	(34,045)
	(512,937)	(664,772)	58,275	39,769
Total comprehensive income for the period	2,435,926	4,085,968	6,808,159	7,838,318

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Changes in Funds (Un-audited)

For the six months period ended June 30, 2022

	Operatoris Fund			Total
	Statutory fund	Revenue reserve Available for sale Investment revaluation reserve	Accumulated surplus	
	----- (Rupees) -----			
Balance as at January 01, 2021	50,000,000	34,045	18,555,419	68,589,464
Changes in fund for the six months period ended June 30, 2021				
Profit after tax for the six months period	-	-	7,798,549	7,798,549
Other comprehensive income				
Unrealised gains on available for sale investments - net of tax	-	73,814	-	73,814
Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	(34,045)	-	(34,045)
	-	39,769	7,798,549	7,838,318
Balance as at June 30, 2021	50,000,000	73,814	26,353,968	76,427,782
Balance as at January 01, 2022	50,000,000	6,456	31,771,589	81,778,045
Changes in fund for the six months period ended June 30, 2022				
Profit after tax for the six months period	-	-	6,749,884	6,749,884
Other comprehensive income				
Unrealised gains on available for sale investments - net of tax	-	64,731	-	64,731
Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	(6,456)	-	(6,456)
	-	58,275	6,749,884	6,808,159
Balance as at June 30, 2022	50,000,000	64,731	38,521,473	88,586,204

Participants Takaful Fund

	Ceded money	Accumulated surplus (Rupees)	Total
Balance as at January 01, 2021	500,000	13,723,262	14,223,262
Changes in fund for the six months period ended June 30, 2021			
Surplus for the six months period	-	5,833,781	5,833,781
Other comprehensive income			
Unrealised gain on available for sale investments	-	16,064	16,064
Realised gain on available for sale investments	-	-	-
	-	5,849,845	5,849,845
Balance as at June 30, 2021	500,000	19,573,107	20,073,107
Balances as at January 01, 2022			
	500,000	22,256,364	22,756,364
Changes in fund for the six months period ended June 30, 2022			
Deficit for the six months period	-	(4,872,578)	(4,872,578)
Other comprehensive income			
Unrealised gain on available for sale investments	-	22,688	22,688
Realised gain on available for sale investments	-	(1,163)	(1,163)
	-	(4,851,053)	(4,851,053)
Balance as at June 30, 2022	500,000	17,405,311	17,905,311

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the six months period ended June 30, 2022

	Operatoris Fund		Participants Takaful Fund	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Operating Cash flows	Note ----- (Rupees) -----			
(a) Takaful activities				
Contribution received	-	-	91,224,669	70,730,113
Retakaful contributions paid	-	-	(22,742,249)	(9,685,428)
Claims paid	-	-	(33,655,062)	(19,699,547)
Retakaful and other recoveries received	-	-	12,782,181	-
Commission paid	(11,932,819)	(4,840,411)	-	-
Retakaful rebate received	-	-	4,891,650	842,002
Wakala fee received / paid	31,530,054	20,611,508	(31,530,054)	(20,611,508)
Direct expenses paid	-	-	(1,645,268)	(1,165,552)
Net cash inflow from takaful activities	19,597,235	15,771,097	19,325,867	20,410,080
(b) Other operating activities				
Income tax paid	(5,524,757)	(317,311)	(43,530)	(233,934)
General, administration and management expenses paid	(18,537,578)	(11,527,737)	-	-
Other operating receipts / payments - net	14,046	(10,952)	3,769,639	1,628,183
Net cash (outflow) / inflow from other operating activities	(24,048,289)	(11,856,000)	3,726,109	1,394,249
Total cash (outflow) / inflow from operating activities	(4,451,054)	3,915,097	23,051,976	21,804,329
Investment activities				
Profit / return received	155,505	148,743	1,876,613	1,109,266
Dividend received	4,016,396	2,423,809	1,927,042	575,138
Payment for investments	(40,225,712)	(74,628,810)	(28,442,363)	(19,507,594)
Proceed from investments	36,811,779	-	6,804,379	-
Total cash inflow / (outflow) from investing activities	757,968	(72,056,258)	(17,834,329)	(17,823,190)
Net cash (outflow) / inflow from all activities	(3,693,086)	(68,141,161)	5,217,647	3,981,139
Cash and cash equivalents at beginning of period	5,539,413	82,593,412	58,154,524	45,227,837
Cash and cash equivalents at the end of period	1,846,327	14,452,251	63,372,171	49,208,976
Reconciliation to profit and loss account				
Operating cash flows	(4,451,054)	3,915,097	23,051,976	21,804,329
Profit on disposal of investments	1,811,779	-	304,379	-
Profit / returns received	155,505	148,743	1,876,613	1,109,266
Dividend income	4,016,396	2,423,809	1,927,042	575,138
Increase in assets other than cash	10,494,429	3,427,076	34,281,447	8,238,390
Increase in liabilities other than borrowings	(5,277,171)	(2,116,176)	(66,314,035)	(25,893,342)
Profit after tax / (deficit) / surplus for the period	6,749,884	7,798,549	(4,872,578)	5,833,781


The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (the Operator) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act 2017) on October 10, 1985. The Operator is listed on Pakistan Stock Exchange and is engaged in general insurance business. The registered office of the Operator is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

The Operator was granted authorisation on August 07, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (the Operations) by Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on general takaful operations in Pakistan.

The Operator transferred statutory fund of Rs. 50 million in a separate bank account for the Operations as per the requirement of circular 8 of 2014. Thereafter, the Operator has formed a Waqf for Participants' Fund (iPTF) by executing the Waqf deed dated August 17, 2017 by investing a ceded money of Rs. 0.5 million. The ceded money is required to be invested in shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf Deed governs the relationship of Operator and participants for management of takaful operations, investments of participants' funds and investments of the Operator's funds approved by the shariah advisor of the Operator. The Operator commenced activities of the Operations on August 18, 2017.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 1416(I)/2019 dated November 20, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business. These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SECP. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: Interim Financial Reporting. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements as prescribed by the SECP and should be read in conjunction with the annual audited financial statements of the Operator for the year ended December 31, 2021.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IAS) 34, interim Financial Reporting issued by the International Accounting Standards Board (IASB) as for interim Financial Reporting notified under the Companies Act, 2017;

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 shall prevail.

- 2.3 These condensed interim financial statements have been prepared under the historical cost convention except investments which are carried at fair value and at amortized cost.
- 2.4 These condensed interim financial statements are presented in Pakistani Rupees which is also the Operatoris functional currency. All financial information presented in Pakistani Rupees has been rounded to nearest Thousand Rupees, unless otherwise stated.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2021.

Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period.

There are certain new and amended standards, interpretations and amendments that are mandatory for the Companyis accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or do not have any significant effect on the Companyis operation and therefore not detailed in these financial statements.

3.1 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

The following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on or after January 01, 2022:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
AIP IFRS 9 Financial Instruments - Fees in the i10%i test for derecognition of financial liabilities	January 01, 2022
- IFRS 3 - Revised Conceptual Framework (Amendments)	January 01, 2022
- IAS 16 ñ Property, Plant and Equipments: proceeds before intended use	January 01, 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	January 01, 2022
- IAS 1 - Classification of Liabilities as Current to Non-current (Amendments)	January 01, 2023
AIP IAS 41 Agriculture Taxation in fair value measurements	January 01, 2022

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction ñ Amendments to IAS 12	January 01, 2023

The above amendments are not likely to have an impact on Company's condensed interim financial statements. In addition to above Standards, there are certain new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after January 01, 2022 but are considered not to be relevant to the Company's operations and therefore, are not detailed in these condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 1 ñ First time adoption of IFRSs	July 01, 2009
- IFRS 17 ñ Insurance Contracts	January 01, 2023

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended December 31, 2021.

5. ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operations' accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as at December 31, 2021.

6. TAKAFUL AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2021.

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

7. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business at period end is adequate to meet the expected future liability after retakaful from claims and other expenses expected to be increased after the reporting date in respect of policies in force at reporting date.

8. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit or loss.

The table below set out the fair values on gross basis as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- all other financial assets.

Operatoris Fund

	June 30, 2022				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in Unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in Unrealized gain or (loss) during the year
-----			(Rupees) -----		
Financial Assets					
Investments					
- Equity securities - Available for Sale	110,344,244	91,170	-	-	-
Loans and other receivables*	24,201	-	-	-	-
Cash and bank	-	-	1,846,327	-	-
	110,368,445	91,170	1,846,327	-	-

Participantsi Takaful Fund

	June 30, 2022				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in Unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in Unrealized gain or (loss) during the year
	----- (Rupees) -----				
Financial assets					
Investments					
- Equity securities - Available for Sale	42,970,857	22,688	-	-	-
Loans and other receivables*	928,361	-	-	-	-
Cash and bank	-	-	63,372,171	-	-
	<u>43,899,218</u>	<u>22,688</u>	<u>63,372,171</u>	<u>-</u>	<u>-</u>

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of the fair values.

9. INVESTMENTS

9.1 Investments In Securities - Available For Sale

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying Value	Cost	Impairment / provision	Carrying Value
	----- (Rupees) -----					
Operatoris Fund						
Mutual funds	<u>110,253,074</u>	-	<u>110,344,244</u>	105,027,362	-	105,036,455
Participantsi Takaful Fund						
Mutual funds	<u>42,948,169</u>	-	<u>42,970,857</u>	20,505,807	-	20,506,970

9.2 Investment in debt securities

Held to maturity

Certificate of Islamic Investment	-	-	-	500,000	-	500,000
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10. LOAN AND OTHER RECEIVABLE

	Operatoris Fund		Participantsi Takaful Fund	
	June 31, 2022 (Un-audited)	December 31, 2021 (Audited)	June 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rupees) -----			
Accrued investment income	24,201	26,451	368,521	332,416
Receivable against sale of investments	-	-	-	37,325
Advance Tax	-	-	559,840	516,310
	<u>24,201</u>	<u>26,451</u>	<u>928,361</u>	<u>886,051</u>

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

	Note	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
		----- (Rupees) -----	
11. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF			
Due from Takaful participants	11.1	37,233,823	17,578,378
Due from other Takaful / Retakaful operators		17,766,414	20,957,486
Retakaful recoveries due but unpaid		1,542,938	3,489,234
		<u>56,543,175</u>	<u>42,025,098</u>

11.1 This includes Rs. 10.2 million (December 31, 2021: Rs. 0.1 million from related party. The amount is not over due/impaired as at June 30, 2022.

	Note	Operatoris Fund		Participantsi Takaful Fund	
		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
		----- (Rupees) -----			
12. RECEIVABLE / PAYABLE (Between OPF and PTF)					
Wakala fee		24,486,261	14,614,018	24,486,261	14,614,018
Modaraba fee		487,321	343,752	487,321	343,752
		<u>24,973,582</u>	<u>14,957,770</u>	<u>24,973,582</u>	<u>14,957,770</u>

13. CASH AND BANK

Cash and cash equivalents

Cash in hand		10,000	10,000	-	-
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Cash at bank

Saving accounts	13.1	1,836,327	5,529,413	63,372,171	58,154,524
		<u>1,846,327</u>	<u>5,539,413</u>	<u>63,372,171</u>	<u>58,154,524</u>

13.1 Saving accounts carry expected profit rates ranging from 3.25% to 7.40% (December 31, 2021: 2.75% to 5.50%) per annum.

	Note	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
		----- (Rupees) -----	
14. TAKAFUL / RE-TAKAFUL PAYABLES - PTF			

Due to other takaful / retakaful operators		<u>43,974,490</u>	<u>34,272,044</u>
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	Operatoris Fund		Participantsi Takaful Fund	
	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
----- (Rupees) -----				
15. OTHER CREDITORS AND ACCRUALS				
Commission payable	9,598,226	10,762,879	-	-
Federal excise duty and sales tax	-	-	4,769,204	1,820,477
Federal takaful fee	-	-	403,285	168,231
Accrued expense	8,038,383	10,672,032	-	-
Audit fee payable	200,000	490,000	-	-
Creditors	-	-	677,130	129,340
Tax deducted at source	14,046	-	30,778	30,036
	17,850,655	21,924,911	5,880,397	2,148,084
16. CONTINGENCY AND COMMITMENT				
There is no contingency and commitment as at June 30, 2022 (December 31, 2021: Nil).				
	(Un-audited)		(Un-audited)	
	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
----- (Rupees) -----				
17. NET TAKAFUL CONTRIBUTION - PTF				
Written Gross Contribution	63,845,804	36,674,439	106,012,933	64,063,413
Less: Wakala Fee	(15,254,677)	(11,530,921)	(30,291,006)	(22,487,837)
Contribution Net of Wakala Fee	48,591,127	25,143,518	75,721,927	41,575,576
Add : Unearned contribution reserve opening	59,035,170	43,493,100	58,557,387	44,501,222
Less: Unearned contribution reserve closing	(81,626,416)	(49,894,564)	(81,626,416)	(49,894,564)
Contribution earned	25,999,881	18,742,054	52,652,898	36,182,234
Less: Retakaful Contribution ceded	23,407,350	13,071,260	35,972,457	19,713,438
Add: Prepaid Retakaful contribution ceded opening	16,598,825	10,632,610	16,967,476	11,947,160
Less: Prepaid Retakaful contribution ceded closing	(21,920,473)	(13,346,403)	(21,920,473)	(13,346,403)
Retakaful expense	18,085,702	10,357,467	31,019,460	18,314,195
	7,914,179	8,384,587	21,633,438	17,868,039
18. REBATE FROM RE-TAKAFUL - PTF				
Retakaful Rebate received or receivable	4,721,526	2,357,371	7,112,825	3,407,659
Add: Unearned retakaful rebate opening	2,978,136	1,558,733	3,055,853	1,751,801
Less: Unearned retakaful rebate closing	(4,301,880)	(2,230,884)	(4,301,880)	(2,230,884)
	3,397,782	1,685,220	5,866,798	2,928,576

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

	(Un-audited)		(Un-audited)	
	Three months period ended June 30, 2022	June 30, 2021	Six months period ended June 30, 2022	June 30, 2021
	----- (Rupees) -----		----- (Rupees) -----	
19. NET TAKAFUL CLAIMS EXPENSE - PTF				
Claim paid	25,978,768	8,889,844	33,655,062	19,699,547
Add : Outstanding claims including IBNR closing	54,071,703	38,234,767	54,071,703	38,234,767
Less: Outstanding claims including IBNR opening	(55,152,583)	(36,742,953)	(35,843,954)	(36,298,886)
Claims expense	24,897,888	10,381,658	51,882,811	21,635,428
Less: Retakaful and others recoveries received	13,144,380	3,365,734	13,497,923	6,825,067
Add: Retakaful and others recoveries against outstanding claims closing	16,180,828	15,438,068	16,180,828	15,438,068
Less: Retakaful and others recoveries against outstanding claims opening	(22,135,899)	(14,101,765)	(11,853,077)	(15,778,359)
Re-takaful and recoveries revenue	7,189,309	4,702,037	17,825,674	6,484,776
	17,708,579	5,679,621	34,057,137	15,150,652
20. COMMISSION EXPENSE - OPF				
Commission paid or payable	5,905,849	2,282,844	10,768,166	4,235,516
Add : Deferred commission expense opening	4,693,609	3,372,749	4,861,987	3,792,532
Less: Deferred commission expense closing	(5,342,854)	(3,641,126)	(5,342,854)	(3,641,126)
Net commission	5,256,604	2,014,467	10,287,299	4,386,922
21. WAKALA FEE				
Gross Wakala Fee	24,486,260	13,472,667	40,731,318	23,871,936
Add: Deferred Wakala Fee - Opening	23,026,244	17,111,556	21,817,515	17,669,203
Less: Deferred Wakala Fee - Closing	(32,257,827)	(19,053,302)	(32,257,827)	(19,053,302)
	(9,231,583)	(1,941,746)	(10,440,312)	(1,384,099)
	15,254,677	11,530,921	30,291,006	22,487,837

The Operator manages the general takaful operations for the Participants and charges wakala fee to PTF on gross contributions recognized for each class of business at following rates:

Class	Percentage ----- (%) -----
Fire and property damage	30
Marine, aviation and transport	30
Motor	40 - 43
Health	20
Miscellaneous	35

		(Un-audited)		(Un-audited)	
		Three months period ended		Six months period ended	
		June 30,	June 30,	June 30,	June 30,
		2022	2021	2022	2021
		----- (Rupees) -----			
22.	INVESTMENT INCOME				
	Participantsí Takaful Fund				
	Income from equity securities - Available for sale				
	Realised gain on sale of equity securities	304,379	-	304,379	-
	Dividend income	1,122,203	475,022	1,927,042	575,138
	Income from debt securities - Held to maturity				
	Return on Certificate of Islamic Investment	(9,629)	3,057	2,232	9,786
		<u>1,416,953</u>	<u>478,079</u>	<u>2,233,653</u>	<u>584,924</u>
	Operatoris Fund				
	Income from equity securities - Available for sale				
	Realised gain on sale of equity securities	1,811,779	-	1,811,779	-
	Dividend income	2,278,863	2,168,067	4,016,396	2,423,809
		<u>4,090,642</u>	<u>2,168,067</u>	<u>5,828,175</u>	<u>2,423,809</u>
23.	OTHER INCOME				
	Participantsí Takaful Fund				
	Profit on bank balances	1,019,650	638,466	1,839,087	1,106,789
	Exchange gain	71,399	-	71,399	-
		<u>1,091,049</u>	<u>638,466</u>	<u>1,910,486</u>	<u>1,106,789</u>
	Operatoris Fund				
	Profit on bank balances	<u>94,097</u>	<u>46,608</u>	<u>153,255</u>	<u>128,454</u>
		----- (Rupees) -----			
		(Un-audited)		(Un-audited)	
		Three months period ended		Six months period ended	
		June 30,	June 30,	June 30,	June 30,
		2022	2021	2022	2021
24.	MUDARIBiS FEE				
	The Operator also manages the participantsí investment as Mudarib and charges 20 percent of the investment income and profits on bank deposits earned by the PTF as Mudaribis fee. It is recognized on the same basis on which related revenue is recognised.				
	Mudaribis share of PTF investment income	<u>487,321</u>	<u>223,309</u>	<u>814,548</u>	<u>338,343</u>

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

25. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise the Operator, associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel of the Operator. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions and on an arm's length basis. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these financial information, are as follows:

	(Un-audited)		(Un-audited)	
	Three months period ended		Six months period ended	
	June 30,	June 30,	June 30,	June 30,
	2022	2021	2022	2021
	----- (Rupees) -----			
Associated companies				
Takaful contribution written	<u>21,767,236</u>	11,455,919	<u>25,158,407</u>	17,184,445
Claim paid	<u>571,261</u>	1,396,926	<u>982,368</u>	1,416,662
Managerial Remuneration	<u>2,273,784</u>	2,378,372	<u>3,473,784</u>	2,378,372
Expenses Paid	<u>5,764,599</u>	5,202,562	<u>10,760,386</u>	5,202,562

26. SEGMENT INFORMATION

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and Insurance Rules, 2017 for class of business wise revenues, results, assets and liabilities.

	For the three months period ended June 30, 2022 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participantis Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	10,251,773	10,195,305	43,343,223	9,290,882	73,081,183
Less: - Federal Excise Duty / Sales Tax	1,213,717	1,023,977	5,010,066	1,044,807	8,292,567
- Federal Insurance Fee	89,636	86,306	380,960	81,643	638,545
- Others	2,450	493,903	28,300	100	524,753
Facultative inward contribution	-	-	154,538	65,948	220,486
	<u>8,945,970</u>	<u>8,591,119</u>	<u>38,078,435</u>	<u>8,230,280</u>	<u>63,845,804</u>
Gross written Contribution (Inclusive of Administrative Surcharge)	8,896,932	8,376,644	37,036,306	8,152,897	62,462,779
- Gross direct Contribution	-	-	154,538	65,948	220,486
- Facultative inward contribution	49,038	214,475	887,591	11,435	1,162,539
- Administrative surcharge	-	-	-	-	-
	<u>8,945,970</u>	<u>8,591,119</u>	<u>38,078,435</u>	<u>8,230,280</u>	<u>63,845,804</u>
Wakala fee	(1,904,723)	(2,532,121)	(10,188,433)	(629,400)	(15,254,677)
Takaful contribution earned	6,349,098	8,440,438	24,612,725	1,852,297	41,254,558
Takaful contribution ceded to retakaful operators	(7,536,537)	(7,882,814)	(1,088,612)	(1,577,739)	(18,085,702)
Net Takaful contribution	(3,092,162)	(1,974,497)	13,335,680	(354,842)	7,914,179
Retakaful rebate	1,408,109	1,676,737	31,124	281,812	3,397,782
Net underwriting income	<u>(1,684,053)</u>	<u>(297,760)</u>	<u>13,366,804</u>	<u>(73,030)</u>	<u>11,311,961</u>
Takaful claims	(512,021)	908,109	(25,200,881)	(93,095)	(24,897,888)
Takaful claims recovered from retakaful operators	513,335	(722,826)	7,342,568	56,232	7,189,309
Net claims	1,314	185,283	(17,858,313)	(36,863)	(17,708,579)
Direct expenses	(127,713)	(104,645)	(500,529)	(120,471)	(853,358)
(Deficit) / surplus before investment income	<u>(1,810,452)</u>	<u>(217,122)</u>	<u>(4,992,038)</u>	<u>(230,364)</u>	<u>(7,249,976)</u>
Investment income					1,416,953
Other income					1,091,049
Mudaribis share of investment income					(487,321)
Deficit for the period					<u>(5,229,295)</u>
Operatoris Fund					
Wakala fee	1,904,723	2,532,121	10,188,433	629,400	15,254,677
Commission expense	(580,149)	(834,433)	(3,799,074)	(42,948)	(5,256,604)
Management expense	(1,229,500)	(1,092,519)	(5,022,246)	(1,145,718)	(8,489,983)
	<u>95,074</u>	<u>605,169</u>	<u>1,367,113</u>	<u>(559,266)</u>	<u>1,508,090</u>
Mudarib share of PTF investment income					487,321
Investment income					4,090,642
Other income					94,097
Direct expenses					(347,945)
Profit before tax					<u>5,832,205</u>

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

	For the six months period ended June 30, 2022 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participantis Takaful Fund					
Contribution receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	14,183,842	20,623,185	74,873,293	10,943,188	120,623,508
Less: - Federal Excise Duty / Sales Tax	1,697,749	2,143,572	8,687,782	1,268,009	13,797,112
- Federal Insurance Fee	123,892	174,121	657,937	95,791	1,051,741
- Others	4,850	917,476	54,950	200	977,476
Facultative inward contribution	-	-	338,721	877,033	1,215,754
	<u>12,357,351</u>	<u>17,388,016</u>	<u>65,811,345</u>	<u>10,456,221</u>	<u>106,012,933</u>
Gross written Contribution (Inclusive of Administrative Surcharge)	12,263,199	16,956,103	63,780,998	9,564,335	102,564,635
- Gross direct Contribution	-	-	338,721	877,033	1,215,754
- Facultative inward contribution	94,152	431,913	1,691,626	14,853	2,232,544
- Administrative surcharge	-	-	-	-	-
	<u>12,357,351</u>	<u>17,388,016</u>	<u>65,811,345</u>	<u>10,456,221</u>	<u>106,012,933</u>
Wakala fee	(4,221,184)	(4,841,387)	(19,811,825)	(1,416,610)	(30,291,006)
Takaful contribution earned	14,070,634	16,137,992	48,286,223	4,449,055	82,943,904
Takaful contribution ceded to retakaful operators	(13,237,706)	(13,133,390)	(1,732,780)	(2,915,584)	(31,019,460)
Net Takaful contribution	(3,388,256)	(1,836,785)	26,741,618	116,861	21,633,438
Retakaful rebate	2,482,231	2,763,464	58,312	562,791	5,866,798
Net underwriting income	<u>(906,025)</u>	<u>926,679</u>	<u>26,799,930</u>	<u>679,652</u>	<u>27,500,236</u>
Takaful claims	(2,164,078)	261,944	(45,751,107)	(4,229,570)	(51,882,811)
Takaful claims recovered from retakaful operators	2,071,691	(190,095)	12,762,507	3,181,571	17,825,674
Net claims	(92,387)	71,849	(32,988,600)	(1,047,999)	(34,057,137)
Direct expenses	(191,780)	(269,853)	(1,021,360)	(162,275)	(1,645,268)
(Deficit) / surplus before investment income	<u>(1,190,192)</u>	<u>728,675</u>	<u>(7,210,030)</u>	<u>(530,622)</u>	<u>(8,202,169)</u>
Investment income					2,233,653
Other income					1,910,486
Mudaribis share of investment income					(814,548)
Deficit for the period					<u>(4,872,578)</u>
Operatoris Fund					
Wakala fee	4,221,184	4,841,387	19,811,825	1,416,610	30,291,006
Commission expense	(1,446,043)	(1,708,121)	(6,785,759)	(347,376)	(10,287,299)
Management expense	(1,773,638)	(2,495,684)	(9,445,834)	(1,500,771)	(15,215,927)
	<u>1,001,503</u>	<u>637,582</u>	<u>3,580,232</u>	<u>(431,537)</u>	<u>4,787,780</u>
Mudarib share of PTF investment income					814,548
Investment income					5,828,175
Other income					153,255
Direct expenses					(398,002)
Profit before tax					<u>11,185,756</u>

The class wise revenues and results are as follows:

	For the three months period ended June 30, 2021 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participantis Takaful Fund					
Contribution receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	7,057,385	4,317,931	25,214,529	5,255,227	41,845,072
Less: - Federal Excise Duty / Sales Tax	844,567	475,504	2,935,527	599,699	4,855,297
- Federal Insurance Fee	61,515	33,861	221,878	46,094	363,348
- Others	1,350	425,733	16,850	-	443,933
Facultative inward premium	(559)	70,000	422,504	-	491,945
	<u>6,149,394</u>	<u>3,452,833</u>	<u>22,462,778</u>	<u>4,609,434</u>	<u>36,674,439</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
- Gross direct Contribution	6,107,301	3,254,637	21,572,945	4,600,563	35,535,446
- Facultative inward contribution	(559)	70,000	422,504	-	491,945
- Administrative surcharge	42,652	128,196	467,329	8,871	647,048
	<u>6,149,394</u>	<u>3,452,833</u>	<u>22,462,778</u>	<u>4,609,434</u>	<u>36,674,439</u>
Wakala fee	(1,549,818)	(1,019,371)	(8,394,600)	(567,132)	(11,530,921)
Takaful contribution earned	5,166,063	3,397,903	20,083,522	1,625,487	30,272,975
Takaful contribution ceded to retakaful operators	(5,325,951)	(2,755,330)	(968,742)	(1,307,444)	(10,357,467)
Net Takaful contribution	(1,709,706)	(376,798)	10,720,180	(249,089)	8,384,587
Retakaful rebate	876,101	542,993	33,110	233,016	1,685,220
Net revenue	<u>(833,605)</u>	<u>166,195</u>	<u>10,753,290</u>	<u>(16,073)</u>	<u>10,069,807</u>
Takaful claims	(4,562,140)	(978,243)	(5,528,257)	686,982	(10,381,658)
Takaful claims recovered from retakaful operators	4,289,325	782,595	179,702	(549,585)	4,702,037
Net claims	(272,815)	(195,648)	(5,348,555)	137,397	(5,679,621)
Direct expenses	(104,289)	(55,378)	(338,069)	(76,893)	(574,629)
(Deficit) / surplus before investment income	<u>(1,210,709)</u>	<u>(84,831)</u>	<u>5,066,666</u>	<u>44,431</u>	<u>3,815,557</u>
Investment income					478,079
Other income					638,466
Mudaribis share of investment income					(223,309)
Surplus for the period					<u>4,708,793</u>
Operatoris Fund					
Wakala fee	1,549,818	1,019,371	8,394,600	567,132	11,530,921
Commission expense	(534,542)	(357,082)	(1,023,497)	(99,346)	(2,014,467)
Management expense	(875,817)	(472,520)	(2,939,708)	(648,743)	(4,936,788)
	<u>139,459</u>	<u>189,769</u>	<u>4,431,395</u>	<u>(180,957)</u>	<u>4,579,666</u>
Mudarib share of PTF investment income					223,309
Investment income					2,168,067
Other income					46,608
Direct expenses					(326,467)
Profit before tax					<u>6,691,183</u>

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

The class wise revenues and results are as follows:

	For the six months period ended June 30, 2021 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participantis Takaful Fund					
Contribution receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	9,658,345	7,039,325	48,892,719	7,636,798	73,227,187
Less: - Federal Excise Duty / Sales Tax	1,184,118	778,148	5,726,699	898,637	8,587,602
- Federal Insurance Fee	84,011	56,300	429,001	67,206	636,518
- Others	3,400	621,163	33,750	100	658,413
Facultative inward premium	7,617	70,000	641,142	-	718,759
	<u>8,394,433</u>	<u>5,653,714</u>	<u>43,344,411</u>	<u>6,670,855</u>	<u>64,063,413</u>
Gross written Contribution (Inclusive of Administrative Surcharge)					
- Gross direct Contribution	8,300,852	5,347,933	41,670,083	6,658,264	61,977,132
- Facultative inward contribution	7,617	70,000	641,142	-	718,759
- Administrative surcharge	85,964	235,781	1,033,186	12,591	1,367,522
	<u>8,394,433</u>	<u>5,653,714</u>	<u>43,344,411</u>	<u>6,670,855</u>	<u>64,063,413</u>
Wakala fee	(3,053,572)	(1,675,630)	(16,477,010)	(1,281,625)	(22,487,837)
Takaful contribution earned	10,178,575	5,585,435	39,231,341	3,674,720	58,670,071
Takaful contribution ceded to retakaful operators	(9,635,285)	(4,391,152)	(1,442,490)	(2,845,268)	(18,314,195)
Net Takaful contribution	(2,510,282)	(481,347)	21,311,841	(452,173)	17,868,039
Retakaful rebate	1,573,214	839,322	55,398	460,642	2,928,576
Net revenue	<u>(937,068)</u>	<u>357,975</u>	<u>21,367,239</u>	<u>8,469</u>	<u>20,796,615</u>
Takaful claims	(6,217,575)	(1,018,725)	(15,029,610)	630,482	(21,635,428)
Takaful claims recovered from retakaful operators	5,929,822	826,527	186,812	(458,385)	6,484,776
Net claims	(287,753)	(192,198)	(14,842,798)	172,097	(15,150,652)
Direct expenses	(152,726)	(102,862)	(788,596)	(121,368)	(1,165,552)
(Deficit) / surplus before investment income	<u>(1,377,547)</u>	<u>62,915</u>	<u>5,735,845</u>	<u>59,198</u>	<u>4,480,411</u>
Investment income					584,924
Other income					1,106,789
Mudarib fee					(338,343)
Surplus for the period					<u>5,833,781</u>
Operatoris Fund					
Wakala fee	3,053,572	1,675,630	16,477,010	1,281,625	22,487,837
Commission expense	(1,023,459)	(571,315)	(2,537,916)	(254,232)	(4,386,922)
Management expense	(1,258,282)	(847,462)	(6,497,100)	(999,926)	(9,602,770)
	<u>771,831</u>	<u>256,853</u>	<u>7,441,994</u>	<u>27,467</u>	<u>8,498,145</u>
Mudarib share of PTF investment income					338,343
Investment income					2,423,809
Other income					128,454
Direct expenses					(404,879)
Profit before tax					<u>10,983,872</u>

The classwise assets and liabilities are as follows:

	June 30, 2022 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	(Rupees)				
Segment assets	32,461,319	12,417,645	63,070,865	18,952,474	126,902,303
Unallocated assets					
Participants' Takaful Fund					107,271,389
Operatoris Fund					142,531,208
Consolidated total assets					376,704,900
Segment liabilities	35,005,478	14,462,982	143,654,990	22,626,832	215,750,282
Unallocated liabilities					
Participants' Takaful Fund					518,099
Operatoris Fund					53,945,004
Consolidated total liabilities					270,213,385
	December 31, 2021 (Audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	(Rupees)				
Segment assets	35,235,737	7,960,525	43,588,580	5,878,324	92,663,166
Unallocated assets					
Participants' Takaful Fund					80,047,545
Operatoris Fund					130,422,076
Consolidated total assets					303,132,787
Segment liabilities	36,175,126	10,095,441	97,177,484	6,132,508	149,580,559
Unallocated liabilities					
Participants' Takaful Fund					373,788
Operatoris Fund					48,644,031
Consolidated total liabilities					198,598,378

27. FAIR VALUE OF MEASUREMENTS

IFRS 13 'Fair Value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates, fair value is determined by reference to average broker rates.

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

Fair value hierarchy

IFRS 13 requires the company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;

Level 3 Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	June 30, 2022 (Un-audited)				Fair value				
	Carrying amount				Fair value				
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)								
Financial assets measured at fair value									
Investments in mutual funds	153,315,101	-	-	-	153,315,101	-	153,315,101	-	153,315,101
Financial assets not measured at fair value									
Investment in Debt securities*	-	-	-	-	-	-	-	-	-
Loans and receivables*	-	-	392,722	-	392,722	-	-	-	-
Takaful / retakaful receivables*	-	-	56,543,175	-	56,543,175	-	-	-	-
Retakaful recoveries against outstanding claims	-	-	16,180,828	-	16,180,828	-	-	-	-
Receivable from PTF*	-	-	24,973,582	-	24,973,582	-	-	-	-
Cash and bank*	-	-	65,218,498	-	65,218,498	-	-	-	-
Total financial assets	153,315,101	-	163,308,805	-	316,623,906	-	153,315,101	-	153,315,101
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	-	(54,071,703)	(54,071,703)	-	-	-	-
Payable to OPF*	-	-	-	(24,973,582)	(24,973,582)	-	-	-	-
Takaful / retakaful payables*	-	-	-	(43,974,490)	(43,974,490)	-	-	-	-
Other creditors and accruals*	-	-	-	(18,513,739)	(18,513,739)	-	-	-	-
Total financial liabilities	-	-	-	(141,533,514)	(141,533,514)	-	-	-	-

	December 31, 2021 (Audited)								
	Carrying amount					Fair value			
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)								
Financial assets measured at fair value									
Investments in equity securities	125,543,425	-	-	-	125,543,425	-	125,543,425	-	125,543,425
Financial assets not measured at fair value									
Investments in Debt securities*	-	500,000	-	-	500,000	-	-	-	-
Loans and receivables*	-	-	358,867	-	358,867	-	-	-	-
Takaful / retakaful receivables*	-	-	42,025,098	-	42,025,098	-	-	-	-
Retakaful recoveries against outstanding claims	-	-	11,853,077	-	11,853,077	-	-	-	-
Receivable from PTF*	-	-	14,957,770	-	14,957,770	-	-	-	-
Cash and bank*	-	-	63,693,937	-	63,693,937	-	-	-	-
Total financial assets	125,543,425	500,000	132,888,749	-	258,932,174	-	125,543,425	-	125,543,425
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	-	(35,843,954)	(35,843,954)	-	-	-	-
Payable to OFF*	-	-	-	(14,957,770)	(14,957,770)	-	-	-	-
Takaful / retakaful payables*	-	-	-	(34,272,044)	(34,272,044)	-	-	-	-
Other creditors and accruals*	-	-	-	(22,054,251)	(22,054,251)	-	-	-	-
Total financial liabilities	-	-	-	(107,128,019)	(107,128,019)	-	-	-	-

27.1 Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV & PKISRV rates (MUFAP page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration, etc.

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

27.2 During the period ended June 30, 2022, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2022

28. GENERAL

Figures in these interim condensed interim financial statements have been rounded off to the nearest rupee, unless otherwise stated.

29. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on August 25, 2022.



Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

Network

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Faisalabad Office

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Faisalabad.
UAN: (041) 111-111-717 Fax: (041) 8554453

Sialkot Office

Al Khalil Centre, 1st Floor, Office No. 215-216,
Kashmir Road, Near China Chowk, Sialkot.
Tel: (052) 3241703-7

Gujranwala Office

2nd Floor, Gujranwala Business Centre,
Opp. Gujranwala Chamber of Commercial &
Industry Trust Plaza, Gujranwala.
Tel: (055) 3840034-35

Registered and Corporate Office

Lakson Square, Building # 2, Sarwar Shaheed R
Karachi-74200.
Tel: (021) 38400000 Fax: (021) 35683410

Khalid Bin Waleed Road Office

Office # 901-902, 9th Floor,
Dulara Business Centre, Plot # 19,
Maniya Co-Operative Housing Society,
Khalid Bin Waleed Road,
Karachi.

Karachi Shahrah e Faisal Office:

Ebrahim Estates, 2nd Floor,
D/1 Union Commercial Area,
Block 7 & 8, Shahrah e Faisal, Karachi.
Tel: (021) 34529155-7, 34310723-4

Lahore Regional Office

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UAN: (042) 111-111-717 Fax: (042) 35911176

Lahore Gulberg Office

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Main Boulevard, Gulberg-2, Lahore.
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Multan Office

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Bosan Road, Multan.
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Century Insurance

A Lakson Group Company

UAN: 111-111-717

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